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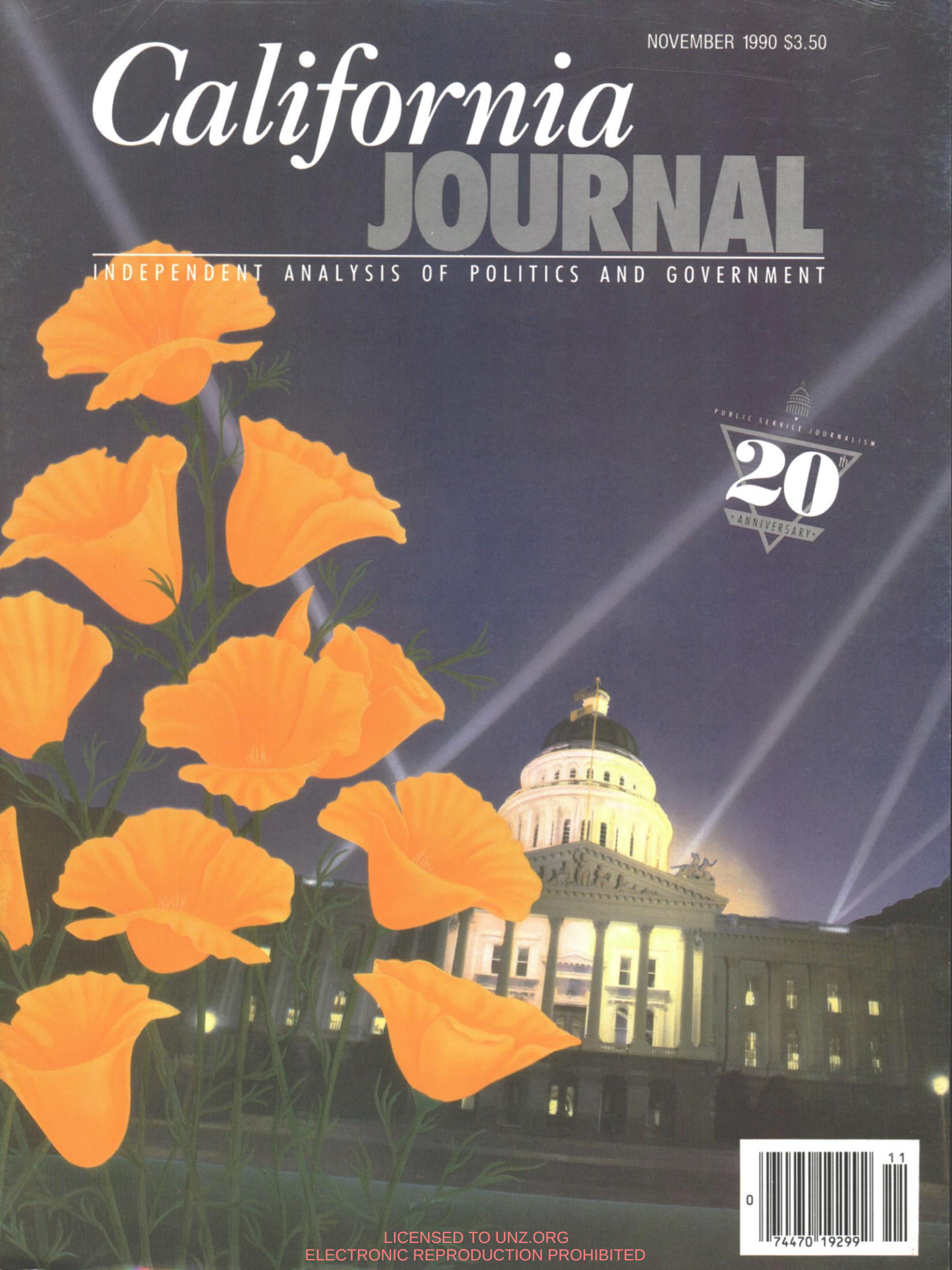
California JOURNAL

INDEPENDENT ANALYSIS OF POLITICS AND GOVERNMENT



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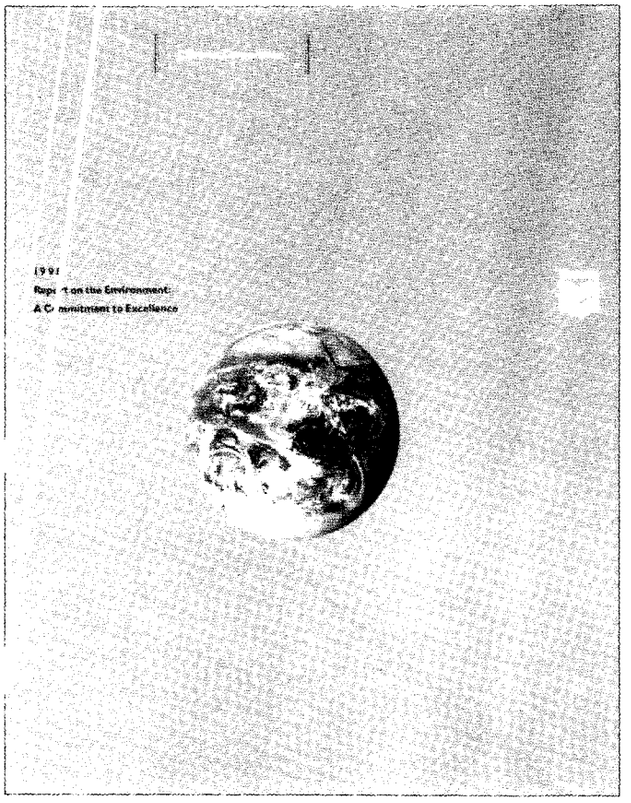

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Recycling is a good idea that works.

Prospects for new, creative recycling programs are bright.

Everybody seems to be getting involved in recycling and for good reason: It's a sensible way to reduce waste.

You may have read about firms that recycle their own scrap paper and supermarkets that reclaim cardboard packaging or plastic bags for reuse. Perhaps you are participating in a recycling program yourself.

For Kodak, recycling has been a way of life for more than 60 years, long enough to know there are substantial benefits.

"Recycled" doesn't have to mean inferior... far from it.

In our quality-conscious, health-conscious society, recycling works when we can be sure the outcome *adds* to our lives. Saving precious materials and minimizing waste clearly adds to our lives, but there are other tests for recycled materials, too: Are the new products actually useful? Do they meet our standards for quality? Are they safe to use?

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We have learned that an aggressive program to conserve and reuse materials makes us more competitive... and it protects the environment.

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For example, we are finding recyclers who want the material from used film—that's the plastic, metal, and paper that's left after your prints or slides are developed. Then, we put these recyclers in touch with the photo labs that have this leftover material.

And we are supporting recycling programs for our single-use cameras and a plastic we make that is used in soft drink bottles and x-ray film.

You can help, too.

Getting everyone to accept the need for recycling is still a challenge.

You can help by looking for ways to recycle. And by backing the recycling efforts of others.

We believe you'll find, as we have, recycling is a good idea that works... again... and again.

Write for the Kodak brochure *Source Reduction & Recycling:*

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Public Affairs
Rochester, New York 14650

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NOVEMBER 1990
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California JOURNAL

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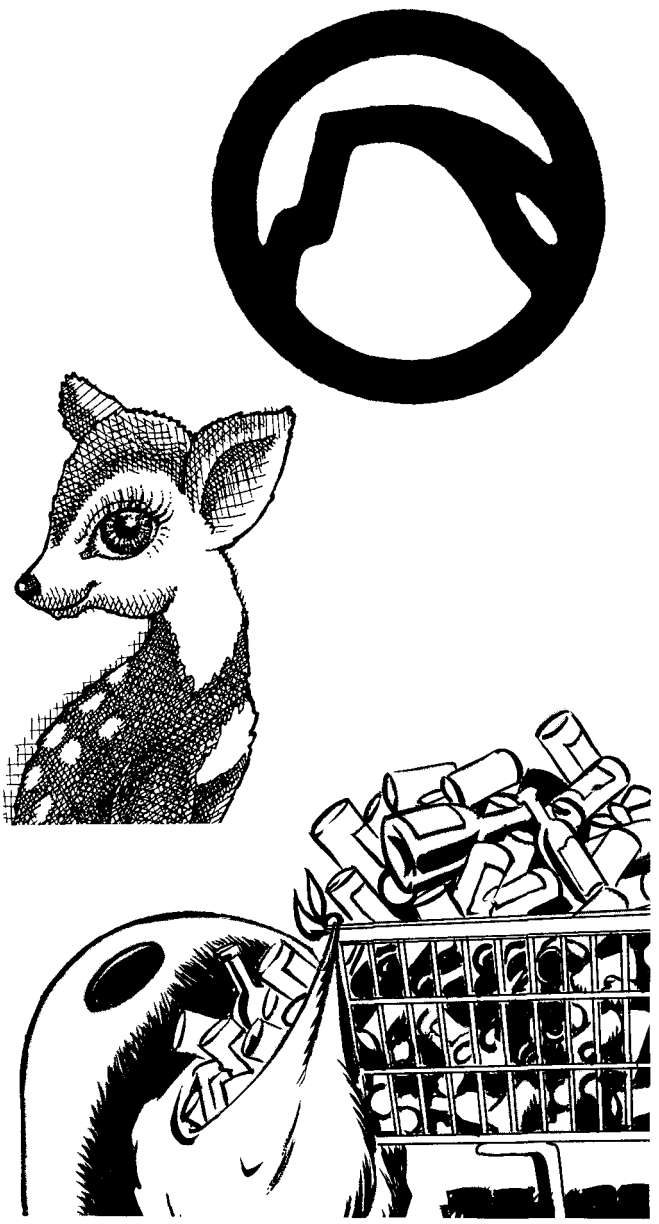

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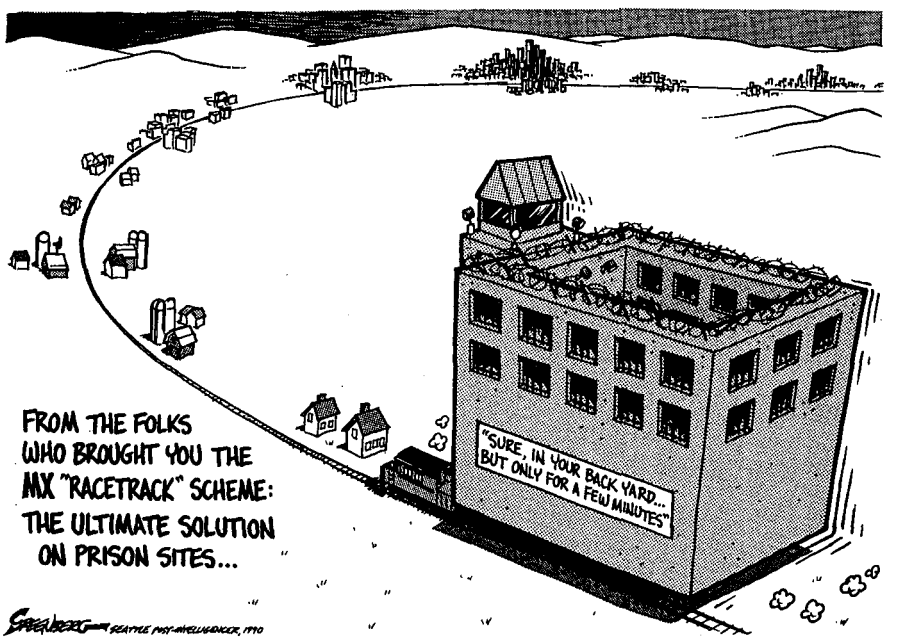
UP FRONT

Door prize of the year. For the past 14 years Capitol staffers from California and Nevada have held an annual golf tournament, with Sacramentans and Carson City-ites alternating as hosts. The 1990 tournament, held at Incline Village on September 29th, was hosted by the Nevadans who amassed an impressive array of sponsors and door prizes. Corporations such as Philip Morris, Delta Airlines, Blue Cross, Macy's, Xerox, Southern Pacific, First Interstate Bank and Texaco were joined by most of the Reno-Tahoe-area hotels and resorts and individual lobbyists to pony up for the event. And then there was the sponsor that could only dwell beyond the Sierra's eastern slope: the Nevada Brothel Association. One present and one former member of Sacramento's Capitol press corps played in the tournament but, despite a feverish effort, neither participant was able to discover just what door prize the bordellos had contributed. The two intrepid investigators were able to determine that the prize was *not*, however, a gift certificate.

Goring a sacred cow. Education has always occupied a special place in the hearts and minds of Californians. But lately, there have been grumblings that teachers and education bureaucrats are becoming overly greedy in a time of budgetary constraint. Now comes an underground newsletter to underscore those grumblings. *The Educrat Times* snipes at, among others, the California Teachers' Association, the Los Angeles Unified School District, and Superintendent of Public Instruction Bill Honig. Subtitled "For those who dare to want it all," the pamphlet's lead article ("Teachers need houses Foglia grouses") takes on CTA president Ed Foglia by revealing — facetiously, we trust — that the CTA will oppose all future bond measures unless a quarter of the bond funds are used to build vacation homes for teachers. "California's teachers need adequate housing for their summer and other vacations if they are to be revitalized and able to meet the demands of their classrooms," Foglia is supposed to have said. Another piece announces that LA Unified plans to build a magnet school in Tokyo and will ask the state to pay the $1.5 trillion cost of buying the Imperial Palace as a site.

And you thought citizenship was boring. Well, Madonna thinks different. As reported in the *Los Angeles Times*, the rock star/actress has made a 60-second video to plug the upcoming election on MTV. Clad in a red bikini and wrapped in an American flag, Madonna raps out, "Dr. King, Malcolm X, freedom of speech is as good as sex." She ends the piece with, "If you don't vote, you're gonna get a spankie." The video is aimed at the 18-to-24-year-old age group, the *Times* reported. Hey, she's got our vote.

Last month, in our district-by-district analysis of the Ninth Assembly District race, we said that incumbent Republican Bill Filante had co-authored Proposition 128, otherwise known as "Big Green." Filante did not co-author Proposition 128; he co-authored Proposition 148 — the Water Resources Bond Act.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—Representative John Bryant, D-Texas

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ROSTRUM

Earthquake

The article on earthquake preparedness (see "An ounce of prevention saves a pound of rubble," *CJ*, August 1990) contains several incorrect references to the Uniform Building Code (UBC). For instance, you state that the International Conference of Building Officials has maintained "an institutional resistance to change." This is wrong The seismic design provisions of the UBC are considered most progressive due, in part, to participation by industry representatives, code-enforcement personnel and private structural engineers in development of the code. Because of the active participation of the Structural Engineers Association of California, UBC seismic regulations are respected worldwide. When adopted by a jurisdiction or governmental entity, model code provisions become enforceable laws.

The recent annual Education and Code Development Conference, held in Denver during September 1990, resulted in "state of the art" provisions for seismic isolation of structures and seismic strengthening provisions for URM bearing-wall buildings. The yearly code cycle of the International Conference of Building Officials ensures that the provisions of the UBC are on the cutting edge of progress while maintaining a prudent examination of proposals. Changes to the UBC to accommodate new techniques and procedures are not only encouraged but provided annually. The open development process is the key to a responsible professional approach.

FLOYD APODACA, S.E.
Chief Structural Engineer
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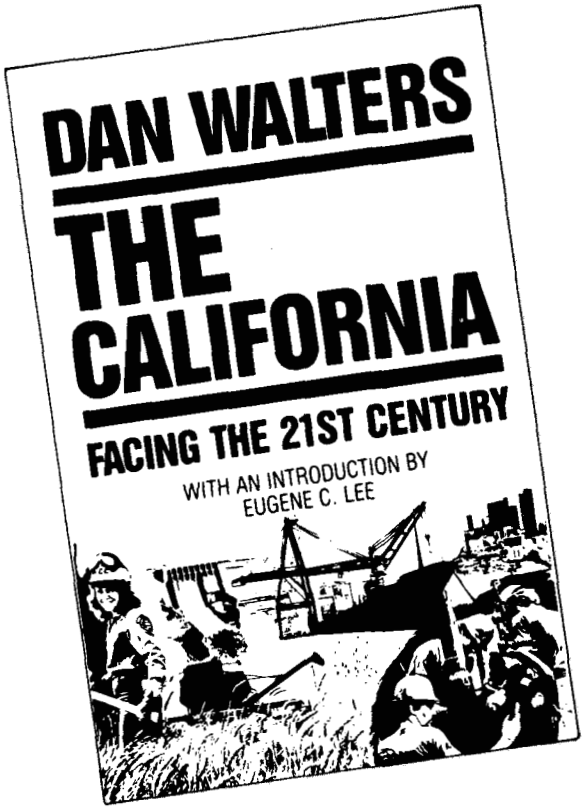

The New California — Facing the 21st Century

by Dan Walters
with an introduction
by Eugene C. Lee

The *Sacramento Bee's* well-known political correspondent, Dan Walters, completed a 9000-mile odyssey through California's 58 counties which served as the basis for this book. It describes the socioeconomic future of the nation's largest state and the political implications of these trends. This lively and insightful book has become a basic reference on California since its publication in 1987. The 180-page book contains numerous charts with detailed political and demographic data. Price: $8.95.

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California's Budget Dance: Issues and Process, *by Richard Krolak.* California's $50 billion budget is where the action is when it comes to programs and policy in the nation's largest state. But the budget process is complicated and murky, often taking place behind closed doors. Now comes *California's Budget Dance,* a 128-page book that clearly outlines the steps, the schedule, the players and the politics of the process. The secret's out now; anyone can be a force in the process and understand what's going on. 1990, 5½ x 8½″, 116 pages. $7.95, paper.

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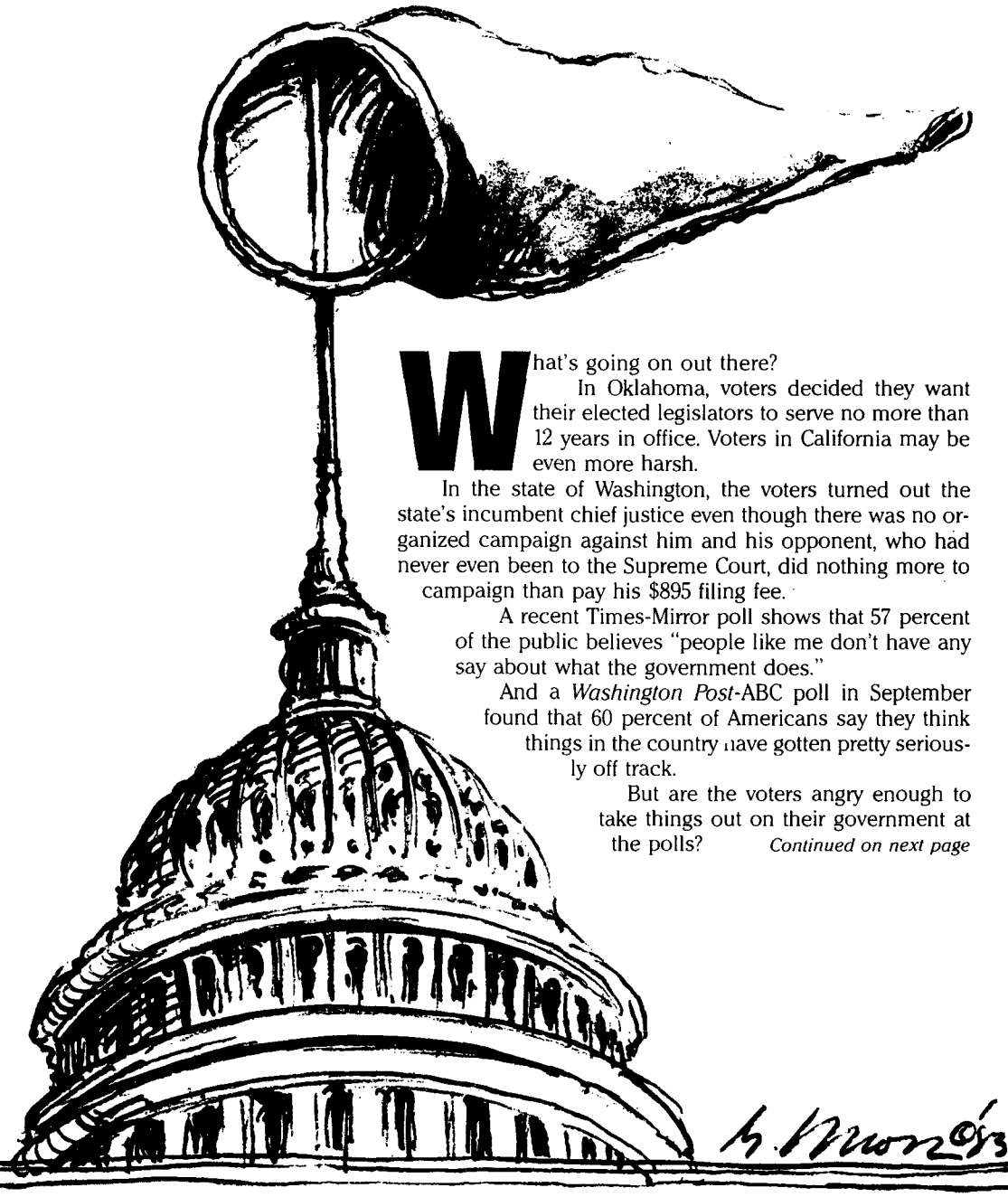
SURLY VOTERS STAY HOME

Few citizens make decisions for everyone

By Richard Zeiger



What's going on out there?

In Oklahoma, voters decided they want their elected legislators to serve no more than 12 years in office. Voters in California may be even more harsh.

In the state of Washington, the voters turned out the state's incumbent chief justice even though there was no organized campaign against him and his opponent, who had never even been to the Supreme Court, did nothing more to campaign than pay his $895 filing fee.

A recent Times-Mirror poll shows that 57 percent of the public believes "people like me don't have any say about what the government does."

And a *Washington Post*-ABC poll in September found that 60 percent of Americans say they think things in the country have gotten pretty seriously off track.

But are the voters angry enough to take things out on their government at the polls?

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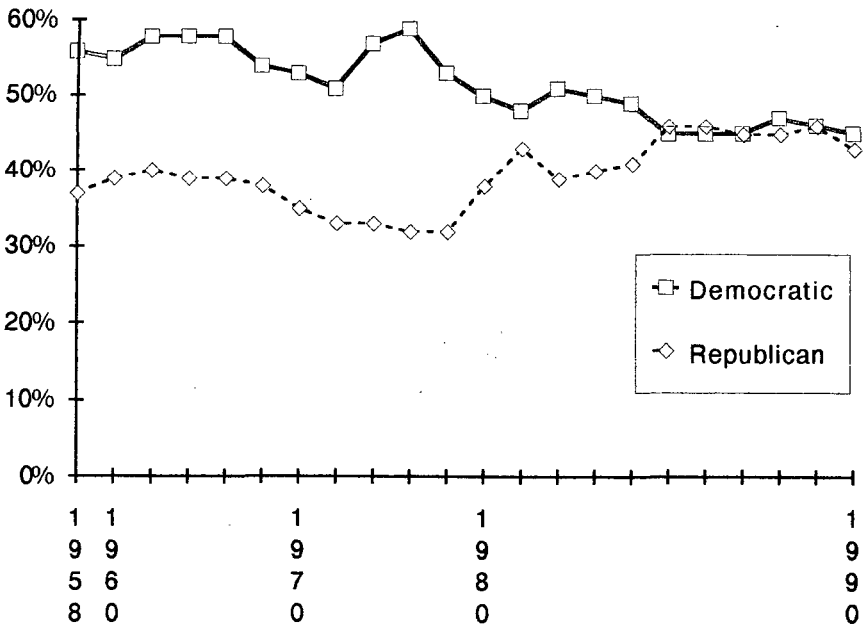
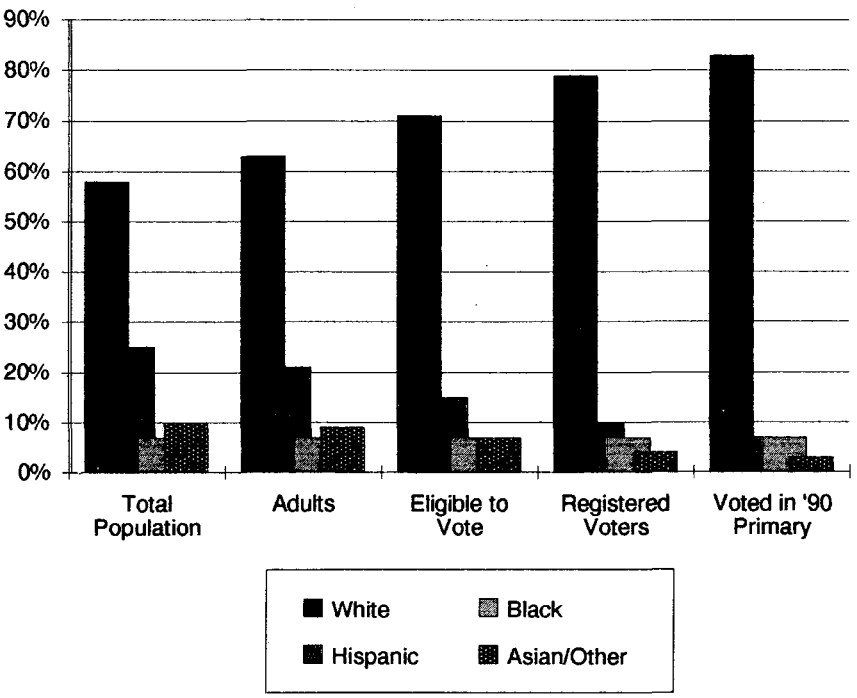
Party Identification



Source: Field Institute

Political Participation



By most accounts, they will not. With few exceptions, incumbents remain as safe as ever. Opinion polls, although showing a public increasingly disenchanted with government in general, still like their own elected officials.

If anything, voters are showing their unhappiness by just staying away on election day.

"We're throwing a national party, and nobody is showing up," notes University of California, Davis, political science professor Ed Constantini.

Things have reached such a state that the number of people voting in the 1986 primary and general elections was actually 140,000 *less* than the number that voted in the election held in 1966, 20 years earlier, despite the fact that the state had gained six million eligible voters in those 20 years.

And in all probability the percentage of voters actually going to the polls will continue to drop — even though in California there is an exciting race for governor and an array of important initiative measures to be considered.

"The ironic thing," notes pollster Mervin Field, "is that the voters are likely to approve [legislative term limits] with a record low turn-out vote. It's as if, as they are leaving, they're tossing a grenade back over their shoulders."

The California electorate is clearly changing. They are more suspicious of their government, question it's ability to accomplish anything of substance, and are more inclined to react by withdrawing completely.

And those left in the system are less and less like the state's population as a whole — a situation that some believe bodes ill for California's future.

In part the answer is one of demographics. The people voting now are the people who have always voted: They are Anglo, older, well-educated and more affluent than the population as a whole.

But in California, that group makes up a smaller and smaller portion of the population. The Field Institute, headed by Field, estimates that only about 59 percent of the state's 19 million eligible voters are actually registered. But the percentages change markedly as the population grows older. Of those between 18 and 24, only 33 percent are registered. Of those over 60, 72 percent are registered to vote. Field also finds 65 percent of the Anglo voters registered, but only 42 percent of the Latinos, 58 percent of the Blacks and

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39 percent of the Asians.

Even when registered, Asians and Latinos are less likely to vote than Anglos or Blacks. This means is that in the June primary, where 43 percent of the eligible population actually voted, only 17 percent of the state's voters were Latino Asian or Black, even though those three ethnic groups make up some 42 percent of the population.

Some of the reasons for this lack of voting are demographic. The minority population, particularly among Asians and Hispanics, is younger than the population as a whole, and many are not citizens.

In a speech delivered at UCLA earlier this year, Field said that he "would not be too disturbed if a 30 to 40 percent participation rate, or even lower, reflected a reasonably representative cross-section of the public. However, I am disturbed, if not alarmed, by what I see going on in California and in other parts of the country. Diminished turnouts mean that small numbers of elites are exercising more control. The agenda of the voting elites — whites, college-educated, older people, the unpoor — is obviously demonstrably different than those who do not vote. The more that non-voters become different than voters in color, in class, in attitudes toward life, we create and build threatening pressures which could easily explode and alter for the worse the future course of our precious democracy."

Field says these non-voters can be placed into four categories. The first, and probably the easiest to bring into the system, are the 10 percent of the non-voters who can't vote for technical reasons. Either they have recently moved and failed to re-register or they become interested in the election only to find that the registration deadline has passed. These problems can be eliminated by easing legal restrictions on registering to vote, Field believes.

Field believes that another 30 percent of the non-voters are what he called "contented apathetics." These are people who "believe their lives will go along in a generally tolerable state without their having to pay attention to what is going on politically." In the past, this group could be roused to vote on occasion by a neighbor, boss or union official. But now, many in this group have never been to the polls, and it is becoming increasingly more difficult to entice them there.

"If you haven't ever voted, and you are in your 30s or older, there is little likelihood you will start voting," Field notes.

The biggest group, about 40 percent of the non-voters, are people who Field calls "politically passive or politically inert." Many have poor incomes and little education. "These people are devoting most of their daily energy just to keep up economically and to cope with life," he said.

The last group, about 20 percent of the non-voters, are the "politically alienated" who believe they can't have any effect on their government.

"They are cynical of candidate and campaign organization promises. They don't think voting will do much about the mounting and heavy problems facing our society. These people feel it doesn't matter whether a Democrat or a Republican wins ..."

The reduction in electoral participation has had substantial impacts on the political parties, with the Democrats, in most cases, hit hardest by the trend.

Certainly that is the case in Cali-

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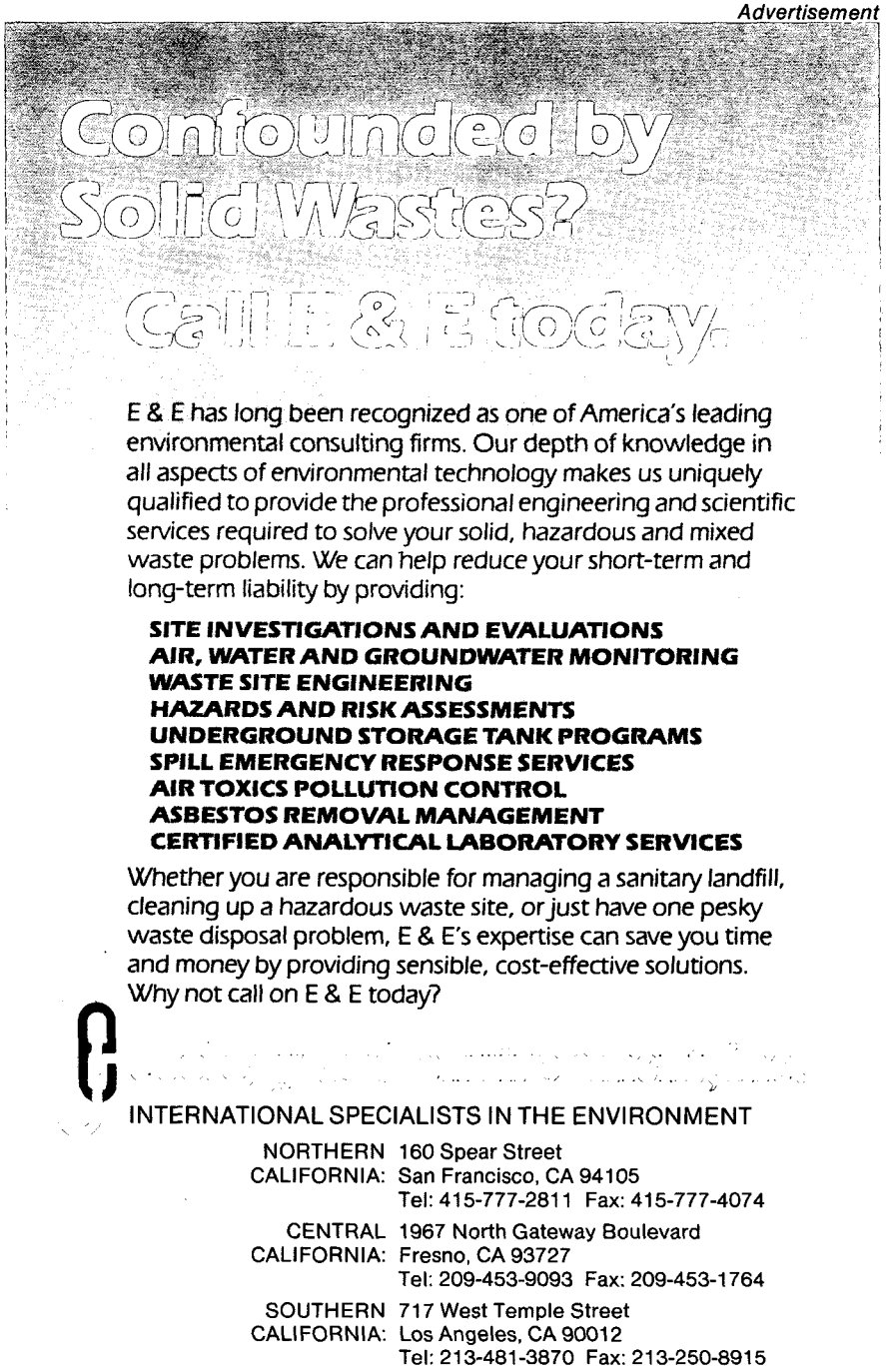
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fornia where Democrats have seen their registration edge diminish to only 2 percentage points, down from an 18-percentage point advantage 20 years ago and a 12-point advantage 10 years ago. Furthermore, Democrats generally believe that those who are not registered — particularly Latinos and Asians — are a natural Democratic constituency.

"The non-voting population has historically been on the left," notes UC Davis' Constantini.

That observation, however, may not be as true as in the past. The Field survey indicates that of those not registered, 45 percent consider themselves Democrats, but 44 percent say they would be Republicans — a 25-point change over the past 10 years.

Constantini noted that the big change came with Ronald Reagan, who was the candidate favored by the non-voting population.

As a result of this change, at least a few Republicans have been rethinking their traditional resistance to making it easy for citizens to register and to vote, perceiving that they may now have at least an even chance of signing up new voters. But the other side of that coin is that these new Republicans, should they be recruited to the ranks of voters, may turn out not to be as loyal as traditional Republican registrants.

This historically different attitude between Democrats and Republicans has caused them to view the causes and effects of non-registration differently.

Earlier this year, Governor George Deukmejian expressed little concern that the number of voters is diminishing. Their lack of concern is merely an expression of passive approval of Republican policies — his and presidents Reagan and Bush — that have been successful.

Democrats, however, view the situation with alarm, saying that these disenchanted voters have been driven out of the system by Republican administrations that repeatedly ignored their needs. Some, indeed, see voter disenchantment as a temporary situation that will disappear when government becomes more responsive.

Walter Zelman, former California director of Common Cause, and an unsuccessful candidate for the Democratic nomination as state insurance commissioner, believes Democrats have been seduced by Reagan economics, and that, if the country enters a recession as expected, Democrats can bring back the disenchanted with their traditional economic appeals.

The state's non-voters are "people not well-off economically, without a great deal of education or interest, get cross-pressured. They worry about economic issues — a strength of Democrats — but they don't buy into a lot of the social issues, like crime, drugs, abortion or pornography," says Zelman.

Zelman argues that, in the Reagan years, even Democrats became conservative economically, favoring tax cuts that primarily benefited those who were already better off financially.

"Without the economic argument, why would they stay with the Democrats?" he asks.

But with a change of economic times, Zelman believes that Democrats will return to "their traditional soak-the-rich" politics and that these disenchanted voters will return to their ranks. Field, however, isn't as sanguine about the prospects for getting more Americans to vote.

"This is a trend that has been going on for 20 years. I don't see any signs that it's changing," he said.

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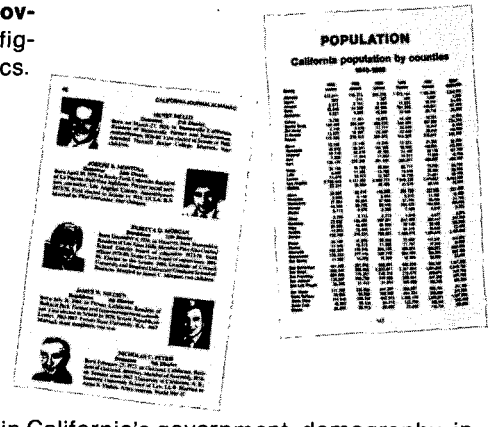

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Yosemite turns 100

Inspired by John Muir, immortalized by Ansel Adams, exploited by MCA

By Dan Blackburn

It is early morning and the pre-dawn clouds still clutch Yosemite Valley in their grasp. Their nebulous fingers are curled around the twin towers of Cathedral Spires, while across the valley drops of dew scatter the arriving rays of sunlight over the shimmering meadow. And a wispy veil rises slowly up the face of El Capitan. At such a moment, it is easy to forget that Yosemite is entering its second century clouded by controversy.

On October 1st United States Park Service officials, members of Congress, environmentalists, scores of school children and hundreds of tourists flocked to the glacier-carved valley to officially mark the passage, 100 years earlier, of legislation establishing Yosemite as a park. The idea for the park sprang from a campfire conversation between famed environmentalist John Muir and Robert Underwood Johnson, the influential editor of *Century Magazine*, during a tour of Yosemite's highlands in an area that includes what now is known as Tuolumne Meadows. At that time, the plan was to protect the area from damage done by grazing sheep and by loggers. Indeed, 100 years ago most of the visitors to Yosemite were either sheepherders, soldiers who helped administer the area, some environmentalists and only a handful of tourists. But, as stories about the park began to circulate along with photos of Yosemite's natural wonders, the flow of visitors steadily increased.

An estimated 3.5 million people are expected to visit California's most famous park by the end of this centennial year. That means the park is becoming more crowded than ever before. Space in valley campgrounds is at a premium and rooms at the various hotels inside the park have been booked almost solid. The burden on the park and on those seeking to maintain it has been substantial. Yet the budget for managing those crowds actually was cut by 10 percent last year. This forced a drastic reduction in the number of park rangers and nature interpreters. And 1990 was sup-

Dan Blackburn is a correspondent with CNN television news.

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posed to be the year in which things were measurably better.

Just a decade ago, amid much fanfare, the National Park Service adopted a master plan for Yosemite. The idea was to reverse much of the man-made development inside the park, especially in the valley. As the document itself put it, "Once this development is gone from the park's most magnificent settings, the scenery that inspired the philosophy of John Muir and the art of Ansel Adams will begin to be restored."

Based on testimony from 20,000 Americans, the plan called for halting the flow of traffic into the valley and eliminating such things as a beauty shop, houses and offices for officials of Yosemite Park and Curry Company, which runs all the concessions in the park, and tearing down a number of cabins. Ten years later, none of that has happened. In fact, the traffic flow has risen, overnight lodging has increased and even a new video rental shop has been added. Also increasing are protests from conservationists.

The Sierra Club's Bob Hattoy says, "What we're looking at is a park that's being overrun with people who are loving it to death. The park is looking tired. The park is sort of worn down. And I think the original intent of the plan was to correct that, but the Park Service and the people who run the concessions haven't really followed through on that."

The truth is that the 1980 master plan for Yosemite was overly optimistic and neither the Reagan administration nor Congress was willing to put up the necessary funding to follow through on the plan. Park officials concede that the public was misled. As Assistant Park Superintendent B.J. Griffin says, "We think the goals of that plan are very good, very sound. They were not achievable by 1990, which is one thing we led the public to believe. It's going to be a while." In the past year, more than 3000 people have written the Park Service urging more action.

These demands come despite the fact that $75 million has been spent for partial implementation of the Yosemite master plan, including the costly relocation of a waste-water treatment plant and other facilities outside the park. In a statement updating their status report on the master plan, National Park Service officials observed, "The National Park Service is proud of the accomplishments to date ... and Yosemite Valley in the future will have less traffic and fewer structures."

Perhaps. But even the most optimistic among knowledgeable park officials admit that any further change will come more slowly than environmentalists want. And Park Service employees privately voice increasing dismay over what they feel is a continuing deterioration of the park.

But not everyone agrees. Park officials and some others argue that conditions in Yosemite now are better than they were 10, 20 or 30 years ago. Former Sierra Club president David Brower wrote a controversial article in which he said, "The impact of visitors upon the valley has been lessened, and the impact of the valley upon the visitors has been enhanced."

And famed wilderness photographer Galen Rowell says, "I see Yosemite as a place where we should be celebrating the success of the national park idea. It's wonderful that when I go a mile out of Yosemite Valley or off of almost any of the roads I'm in a wilderness that looks the same as when John Muir saw it and described it over a century ago." The key, of course, is to get off the beaten track. If you stay on or near the paved roads in Yosemite, you are more likely to have an urban experience than a wilderness experience.

And if the failure of the 1980 master plan was not controversy enough, there also is a raging debate over the role of the park's concessionaire — Yosemite Park and Curry Company. Once literally a mom-and-pop operation, the company was taken over in 1973 by entertainment-industry giant MCA, which operates its park monopoly under a 30-year contract with the federal government. Last year MCA paid the federal government just $635,000 for its exclusive rights in the park. In return, the company collected proceeds of more than $84.7 million. Exact figures are not available since MCA refuses to make them public. But the Park Service reluctantly has provided some information, and congressional hearings are likely to produce more.

The MCA contract expires in 1993 and nearly everyone agrees that it should be rewritten — some think radically rewritten. And some critics now have formed an organization of financiers to offer a competitive bid to take the contract away from MCA. Called the Yosemite Restoration Trust, the group, if successful, would become the first environmental effort ever to take over a federal park concession. Wilderness Society president George Frampton Jr., who helped put the group together, says, "In the management of this extraordinary park, nature should come first — not the shareholders of MCA." Further clouding the issue is the effort by a major Japanese corporation to take over all of MCA, including its Yosemite concession.

Members of Congress have begun looking into the original deal between MCA and the Park Service and have not liked what they have seen. Representative Bruce Vento, a Minnesota Democrat, declared, "These findings seem to paint a picture of sweetheart deals, whether intended as

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such or no., resulting in excess profits at taxpayer expense." An internal investigation ordered by Interior Secretary Manuel Lujan concluded that concessionaires holding long-term monopolies in national parks such as Yosemite have reaped tens of millions of dollars in excess profits.

To some, the situation in Yosemite is symbolic of the overall problem plaguing the national parks when it comes to concessionaires. While Yosemite's revenues alone seem striking, they fit into a larger pattern in which 562 businesses collect gross revenues of $500 million while paying the federal government only $12.5 million in franchise and user fees. Those figures prompted Interior Secretary Lujan to comment late this summer that while he likes the overall system, "I'm just not satisfied with the [financial] return."

As a result Lujan now is proposing that franchise fees be at least doubled when new contracts with concessionaires are negotiated. And, in some cases, the fees may be tripled or quadrupled or more. Lujan says he is not interested in driving anyone out of business but he wants concessionaires to pay "a fair and equitable" fee. A spokesman for the concessionaires expressed both surprise and disappointment. Allan Howe of the Conference of National Park Concessionaires declared, "We think that this is not good in the end for the national parks, for the concessionaires or for the American public."

Over the next year, 25 concessionaire contracts are up for renewal. They cover everything from hotel rooms to canoe rentals and should provide a clear test of just how serious the National Park Service and the Interior Department really are about changing the way the national parks are managed.

Critics think part of the problem in Yosemite stems from a relationship between MCA and park officials that has been much too comfortable. Noting that they all live essentially in the same compound in the valley, mountaineer Doug Robinson observes, "The negotiators for the park service are neighbors with the heads of the Curry Company. Their kids all go to the same school. That's awfully cozy for people who are negotiating with a Fortune 500 company for a monopoly in a national park."

And the Sierra Club's Bob Hattoy adds, "The Park Service has sort of let MCA and the Curry Company run roughshod over the valley. And I think the Park Service can be criticized for that. The Park Service need to get tough with its concessionaire."

The executives of Yosemite Park and Curry Company argue that not only have they provided necessary services and dramatically upgraded and renovated much of the housing — especially the historic Ahwahnee Hotel — but that they have done so in an environmentally conscious manner. Dan Jensen, the firm's executive vice president, insists, "We think we're a very solid, good concessionaire with a very good concern for the environment."

Indeed, they did oppose a plan for scenic overflights of Yosemite which probably would have made the company even more money. And they pioneered the use of recycling in the park. However, it is the gap between what MCA pays for its monopoly and the money it takes in that raises eyebrows. Jensen says, "Yes, that does make a catchy headline. But the full component is the complexity of the contract and the history of the different things that have happened throughout the term of this contract that I think need to be understood." But understanding them can be difficult since some of the details have yet to be made public.

No one doubts the new contract will be different. Says

Yosemite Superintendent Michael Finley, "It's an artifact of history. And one day we'll find it in the museum."

There is another little-mentioned aspect to this controversy. None of the money paid by MCA for its monopoly goes to Yosemite. The same is true of the fees paid by other concessionaires in other national parks as well. The money goes to the government's general fund and probably was spent in Saudi Arabia, or elsewhere. It wasn't spent on the park. People who may wince at the price they pay for a hotdog or an ice cream cone in a national park and then shrug off the expense because they believe the money benefits the parks are dead wrong. And that situation will not change unless Congress rewrites the rules.

Congress established the legislation which now diverts the money from park concession fees to the general fund, and it will take an act of Congress to redirect that money back into the parks. Again, Interior Secretary Lujan has expressed hope that Congress will adopt new legislation, but analysts on Capitol Hill are less than optimistic.

Writing about what it is like to visit Yosemite, John Muir observed a century ago, "Nature's peace will flow into you as sunshine flows into trees. The winds will blow their own freshness into you, and the storms their energies, while cares will drop off like autumn leaves." And, at ceremonies in the park on October 1st, Yosemite Indian Jay Johnson declared, "Yosemite is not just for today; it is for the children and their children tomorrow." Now, Yosemite begins its second 100 years with a future that is almost as cloudy as the beautiful valley itself early in the morning. Only, in the valley, there almost always is sunshine to lift the clouds away.

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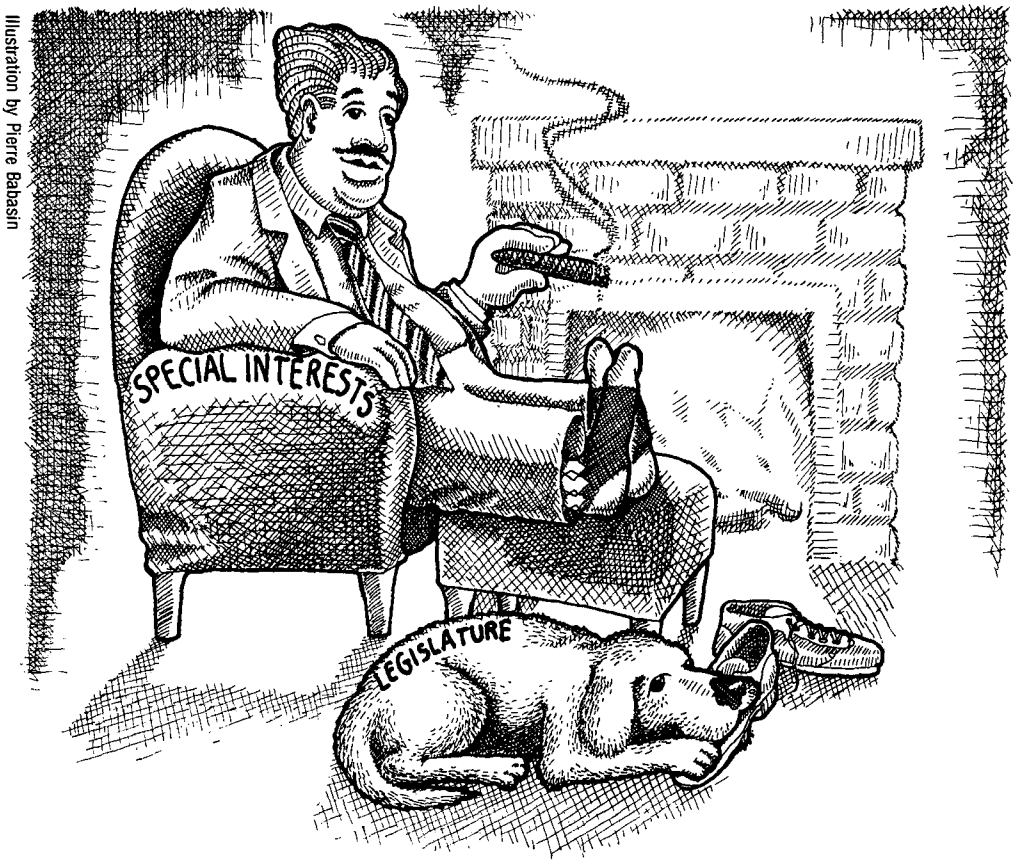

Illustration by Pierre Babasin

BIG ISSUES GO A-BEGGING

Special Interests Dominate Legislative Session

By James Richardson

As the clock ticked toward midnight and the close of the 1989-90 legislative session, lobbyist Jerry Zanelli stood outside the ornate door of the state Senate, scribbling on a little yellow note card. Zanelli tallied up the votes on a bill of major interest to one of his clients, Alamo Rent-A-Car.

He was losing.

Not far away, lobbyist Clayton Jackson was going through the same exercise for one of his clients, Avis. The bill, pitting one car agency against another, regulated how rental-car companies advertised rates. Both sides had spread generous campaign contributions around the Capitol, both sides employed pricey lobbyists to button-hole legislators. Caught up in such sheer excitement, legislators argued amongst themselves about the esoterica of car-rental rates.

Avis won.

Scarcely noticed in the world at large, SB 1698 by Republican Senator John Doolittle of Rocklin, got no headlines the next morning. But the time-consuming tussle over the rent-a-car bill yet again demonstrated that the business of the Legislature is largely business.

"It's hard for you to sort out," complained Assembly Majority leader Tom Hannigan of Fairfield, who voted against the bill one day and then for it on another day. "I sort of go with hunches on those economic turf wars."

The 1989-90 legislative session was perhaps a watershed for such battles.

Legislators let another year go by without finding a way to provide health-care coverage for low-income citizens. They were again deadlocked by the three-way battle between doctors and lawyers and insurance companies, unable again to do anything about the rising cost of health care and insurance.

Emergency rooms and classrooms continued to lope along as best they could for want of resources. Crime legislation was adopted piecemeal, satisfying no one, really. Adopting a 1990-91 state budget proved to be the single toughest act legislators and Governor George Deukmejian proved capable of, and they did it more than a month past the constitutional deadline.

But lawmakers found plenty of time to get immersed in disputes over fishing rights, glass recycling fees and tax breaks for art collectors.

And they found plenty of time to hold campaign fund-raising events, cramming more than 100 onto the calendar once they had caught their breath from the July budget war. Among the most brazen, Democratic state party chairman Jerry Brown, Senate President pro Tempore David Roberti and Assembly Speaker Willie Brown Jr. co-hosted a "briefing" during the last week of the session to explain how Democrats would win in the November election. The price of admission for the muffins-and-orange juice breakfast: $2500 a head. Plenty of lobbyists showed up to hear Jerry Brown go through a sonorous explanation of campaign-finance laws.

Continued on next page

James Richardson is a Capitol correspondent for The Sacramento Bee.

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"It's really Jerry's event; it's not my event. I'm just part of the hook," said the speaker as he greeted lobbyists at the door. "I don't think you'll see anyone in there saying, 'What about my bill?' After all, Jerry can't do a damn thing about their bills."

In the view of many insiders, there has long been a cause-and-effect relationship between fund raising and policy paralysis. Lawmakers were unwilling to bite the hands that fed them. Donations did not necessarily buy a bill but donations could purchase a stand-off.

Running true to form, the Legislature came close to meltdown in the final few weeks before the end of the two-year session, with bleary-eyed legislators shoveling bills out of committees and onto the Assembly and Senate floors and thence to the governor's desk. Tempers flared. Assembly Republicans threw temper tantrums at the Democrats who often acted like schoolyard bullies.

Among the most bizarre incidents was a shoving match in a hallway between Democratic Senator William Lockyer of San Leandro and lobbyist Bob Wilson, a former senator who had once had Lockyer's current job as chairman of the Senate Judiciary Committee. Lockyer said that Wilson threw a "girlie punch" at him; Wilson said Lockyer had taunted him with insults.

And, as usual, the Legislature's sharpest operators tried to take advantage of the clock and the distractions to ram bills through on behalf of a benefactor — bills that might otherwise have died.

Take for instance the $437 million park bond that the Legislature and governor put on the November ballot. Tucked away in the bond was $6 million earmarked for purchasing forest land from Pelican Timber Partners, controlled by Orange County developer Donald Koll. Over the years, Koll has been a major contributor to Deukmejian and to Republican U.S. Senator Pete Wilson, the GOP gubernatorial nominee this year. Pelican Timber, in the last two years, had given $61,400 to legislators.

The bail-out for Koll was put in the park bond at the behest of Senate Whip Henry Mello, Democrat of Watsonville and a recipient of $2750 of Pelican's campaign largess in the last two years. Pelican had purchased the Santa Cruz mountain land several years ago but could not win state approval of large-scale timber harvesting. The land became economically worthless. But unable to unload the land in a swap with the state, Pelican's lobbyist, former legislator Dennis Carpenter, got Mello to insert state purchase of the land in the park bond.

Ironically, once state forestry officials latch onto the forest, they plan to harvest timber as an economically self-sustaining "demonstration forest."

Willie Brown nearly succeeded in the closing hours of the session with one of his bills, AB 4298, that would have delayed for two years the imposition of recycling fees on glass manufacturers. The backer of the measure, the Glass Packaging Institute of Washington D.C., had given $8000 to Brown's campaign funds in the last two years (see story, page 539). The issue was complicated but, in political terms, it boiled down to a power play that went sour on the speaker.

To encourage recycling, the state's container-recycling law imposes fees on containers if the market value of its scrap falls below the cost of recycling it. The fees became a subject of dispute between the glass industry and the state

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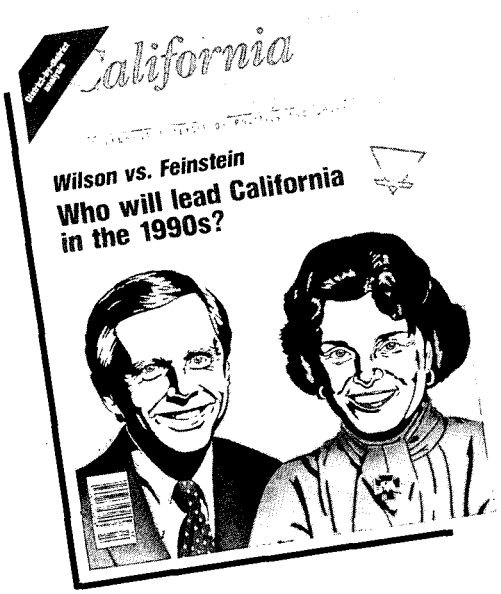

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because it has become cheaper to produce new glass than to recycle it. Glass manufacturers found a loophole to avoid paying the fee. The speaker's bill sought to keep that loophole in place. Can manufacturers, recyclers, grocers, environmentalists and trash haulers were all pushing to close the loophole.

Brown pushed his bill through his own house before it stalled in the Senate. He might well have succeeded except that his bill ran smack into another bill by a fellow member of the Democratic caucus, Assemblyman Byron Sher of Palo Alto. Sher's bill imposed the recycling fees. Faced with the public embarrassment of going against a respected member of his caucus, the speaker dropped his bill at a Senate Appropriations Committee hearing. Sher's AB 1490 eventually passed and was signed by Deukmejian.

Tax break bills also bubbled through the Legislature in the closing weeks of the session. A few were killed early on, such as AB 2893 by Republican Assemblyman Trice Harvey of Bakersfield, that would have granted a sales tax break to ostrich breeders.

However, another Harvey-authored tax exemption was sent to Deukmejian to grant a sales-tax exemption to the Bulgarian-born artist Christo (of nylon fence fame). The tax break, estimated at $125,000, would have exempted Christo from paying sales taxes on art materials purchased for his latest public art project — lining an 18-mile stretch of Interstate 5's Grapevine Pass with 1700 yellow umbrellas. Harvey's colleagues were persuaded by his argument that the loss in sales taxes would be made up by new tourism generated by the umbrellas. Harvey conceded that his plodding oratory did not win the day. He had help from art enthusiast Barry Keene of Benicia, the Senate majority leader. Deukmejian was not so enthused and vetoed the bill.

Art collectors, though, nearly won a sales-tax break. The bill by Democratic Senator Charles Calderon of Whitter, would have exempted collectors from paying a sales tax on art if they gave it to a museum within a year. Legislative analysts pointed out that the bill would let art collectors hang their tax-free paintings over their couch for a year until they got bored with it. Some drafts of the bill would have allowed art collectors to keep their paintings even longer. The bill died of its own weight after passage in legislative committees.

A tax break that won legislative approval and a gubernatorial veto was authored by Senator John Garamendi of Walnut Grove, the Democratic candidate for insurance commissioner. His bill revived a solar tax credit for solar electricity producers. Legislative analysts predicted it would have cost the state treasury $2 million to $4 million a year. The principal beneficiary would have been Luz International, an Israeli firm that is the largest solar energy producer in the world. Luz had given $31,050 in campaign contributions to Garamendi in the last four years.

The Democratic chairmen of the Senate and Assembly tax committees — Senator Wadie Deddeh of Chula Vista and Assemblyman Johnan Klehs of San Leandro — made an effort to kill tax-break bills throughout the year, sometimes with success but more often than not out-voted by their colleagues. "Most of the tax credits that legislators author are tax credits that benefit very narrow special interests and should be defeated," said Klehs to little avail.

Ironically, Deukmejian's reputation for freely swinging his veto ax may have contributed to the Legislature's willingness to approve tax breaks. Legislators could please a contributor by voting for a bill, knowing that Deukmejian would ultimately stop the raid on the public treasury.

But even as legislators cranked out bills for their benefactors, there was an air in the Capitol that was decidedly not business-as-usual. A few months earlier, former Senator Joseph Montoya of Whittier was convicted on federal bribery charges following an FBI "sting" operation. Nor was the investigation anywhere close to finished. Down the street a few blocks in a federal courtroom, former Democratic Senator Paul Carpenter, now a member of the State Board of Equalization, stood trial on charges of racketeering, conspiracy and extortion for selling access to his Senate office. Carpenter had a reputation as one of the Capitol's slickest operators, so audacious that he would shake down contributors but not even deliver the legislative goods. He eagerly took $20,000 from undercover FBI agents in the process of pushing a bill for a phony West Sacramento shrimp processing plant.

Soon after the session ended, Carpenter was convicted.

And there was one more thing hanging over the heads of legislators: Two initiatives on the November ballot, propositions 131 and 140, threatened to break up the legislative club for good by imposing term limits.

Although thoughtful political analysts maintained that term limits might do more harm than good, term limits proved popular with voters. The sword was blunt, striking down good legislator with bad. And there was nothing subtle about the message: Voters were fed up with business as usual in Sacramento.

BALLOT FRONT

A roundup of statewide initiative proposals. All statutes require 372,178 valid signatures; constitutional amendments require 595,485. In parentheses is the deadline for sponsors to submit signatures to county clerks, and the issue of California Journal *which contains a full explanation of each measure. The full texts of all initiatives may be obtained from the Secretary of State's election division, 1230 J Street, Sacramento CA 95814.*

Continuing in circulation:

STATE ADMINISTERED AUTOMOBILE INSURANCE, AUTOMOBILE CLAIMS COURT — an initiative constitutional amendment, sponsored by Carmen Gonzalez and Angelo Paparella of Los Angeles, Rob Lavis of Oakland, Bill Zimmerman of Topanga Canyon and Proposition 103 author Harvey Rosenfield of Santa Monica. (October 18th, August 1990 *CJ*)

WORKERS, VACATION — an initiative constitutional amendment, sponsored by Richard Such of Palo Alto. (October 22nd, August 1990 *CJ*)

STATE-OPERATED AUTOMOBILE INSURANCE. AUTO CLAIMS. ADMINISTRATIVE COURT — an initiative statute, sponsored by Voter Revolt members Angelo Paparella, Rob Lavis, Bill Zimmerman and Proposition 103 sponsor Harvey Rosenfield. (December 13th, September 1990 *CJ*).

TAX AND SPENDING LIMITS — an initiative constitutional amendment, sponsored by Mark Buckley of Placerville. (January 4, 1991, October 1990 *CJ*)

Failed to qualify:

FIREARMS REGULATION — an initiative statute, sponsored by Kevin Patterson of Camino. (June 1990 *CJ*)

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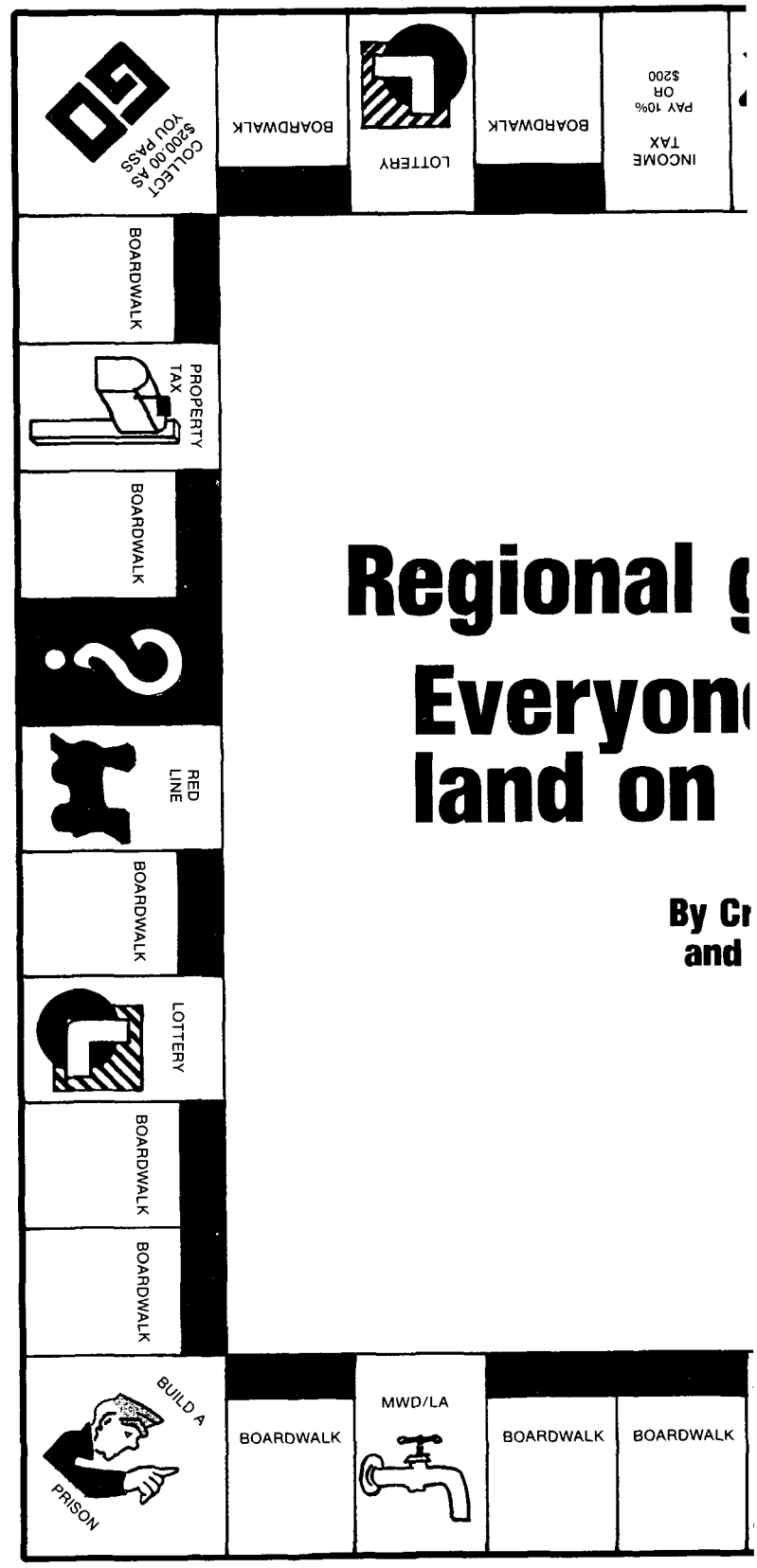

A behind-the-scenes political battle is being fought in California. As battles go, this one is small; it's not nearly as attention-grabbing as political showdowns over water allocations and offshore oil drilling. Yet the future importance of this fight should not be underestimated, for it involves control over land-use authority and its outcome could reshape the political landscape of California.

The protagonists are city and county government officials, who want to retain current authority over land-use decisions, arrayed against members of the state Legislature, who seek to create a new system of regional government which may cut into that authority.

Growth management is the central issue around which the contest over land-use control has arisen. According to proponents of regional government, the current system of cities and counties has failed to adequately or comprehensively manage land use during California's intensive population growth. Without consistent area-wide land-use planning that only a regional government can offer, proponents argue, growth-related problems

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Craig Hamley was a California Journal *intern. A.G. Block is managing editor of the* Journal.

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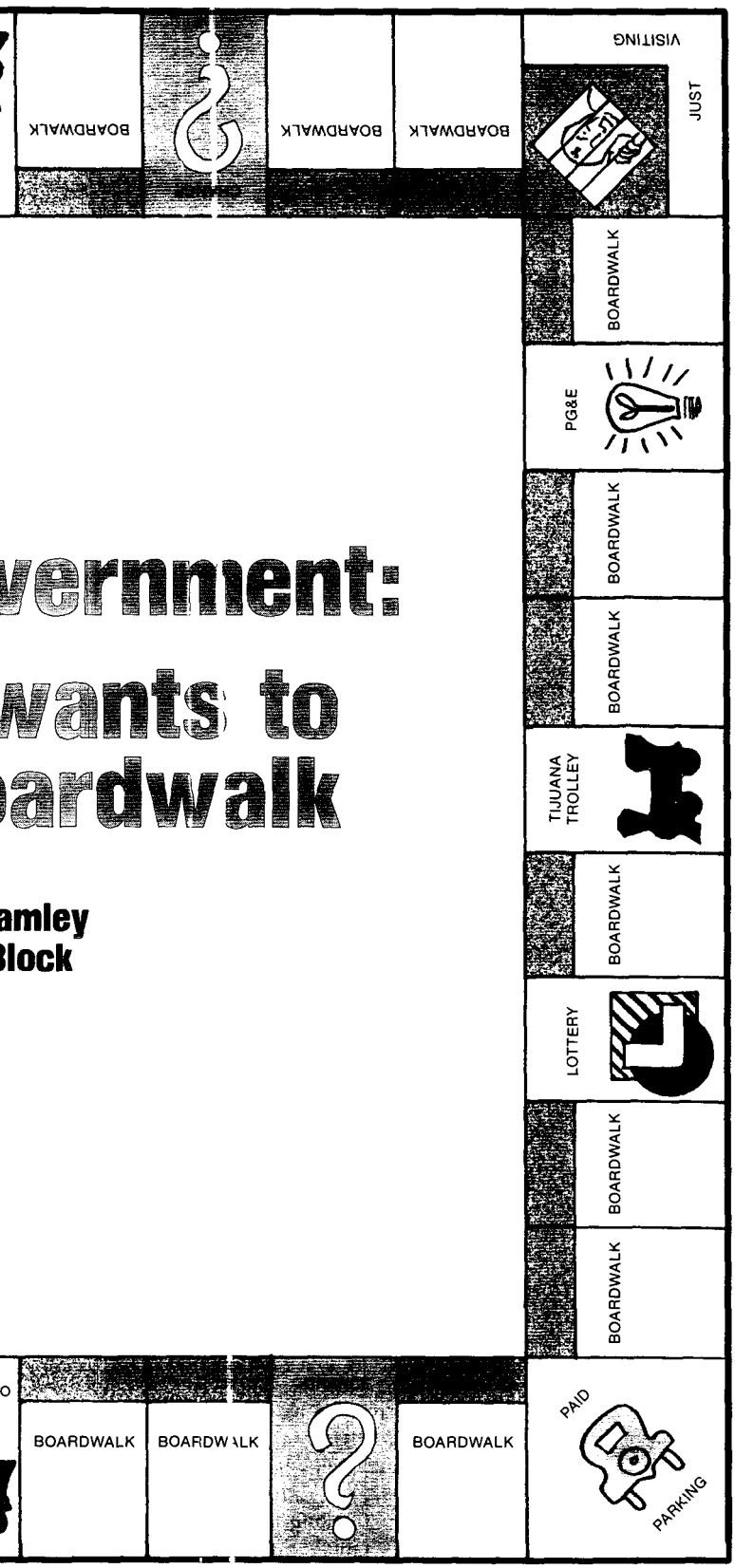

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like smog and gridlocked freeways may never be solved, for those problems cross city and county boundaries.

Regional-government advocates base their argument on the fact that California's current system of local government is outdated, having been designed in the 1850s when California's original 27 counties were created. That system is unable to cope with a state that is no longer largely rural but dominated by urban sprawl. Proponents of regionalism claim that problems occurring over entire regions encompassing many cities and counties cannot be adequately dealt with by separate entities acting alone.

On the other hand, groups such as the League of California Cities and the County Supervisors Association of California don't deny that land-use planning has been poor. Instead, they blame growth-management problems on fiscal constraints imposed by outside influences such as the property tax-slashing Proposition 13 of 1978.

According to the League and to CSAC, local authorities have been forced into what is commonly called "cash-box zoning" — making land-use decisions based on how much tax revenue a development will bring in rather than on its need. As a result, too many shopping malls and large corporate developments have been built without adequate freeway or parking support

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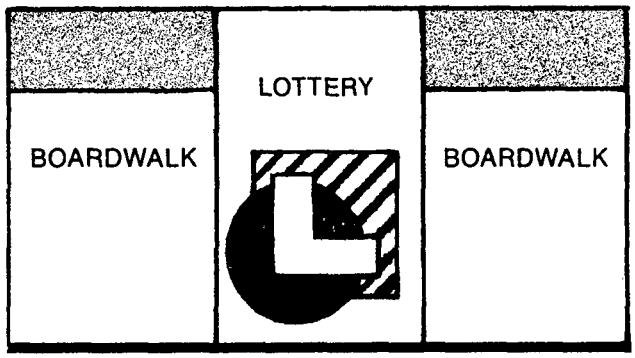
or enough affordable housing within easy commuting distance.

"To talk about setting up a new form of government without taking into consideration the financial aspects would merely be setting up another straw-man doomed for failure," says CSAC's executive director, Larry Naake.

Indeed, in its report entitled "Action for the '90s," the League of Cities found that "... when adjusted for inflation and population growth, city general-purpose revenues have declined by more than 15 percent per capita" since pre-Proposition 13 days.

Despite this shrinkage in local tax bases, not everyone agrees that shrinkage alone is completely responsible for all the current planning problems.

"I think you can trace some of the problems to revenue difficulties, but not all of them," said former Assemblyman John Knox, a strong proponent of regional government during a nearly identical battle during the 1960s when he chaired the Assembly Local Government Committee. "You've got all the cities trying to sneak some pork out of the barrel, and the counties doing the same thing, and nothing's approached on a regional basis."



Knox believes a coordinated regional government would strengthen rather than weaken existing local authorities.

"Cities and counties would have a better definition of what their jobs were, and they would have a better place to go to seek redress of their grievances on a regional basis," Knox stated.

Knox's support of regional government goes back to

Small towns: absorbed by the

California's small towns, squeezed by bigger neighbors they once thought far removed, are facing increasing public pressure over local planning priorities. Like it or not, they find that they can no longer stand isolated from the problems of their bigger neighbors. Indeed, they find that those who flee the state's urban areas for the respite of the country only bring their problems with them.

And in some ways, small towns are not as well equipped to deal with the problems. Regional problems heavily influence small towns, but the towns themselves have meager resources to respond to the problems that come with rapid development: traffic corridors, statewide legislation, commercial and industrial development, air and water quality, annexation and urban sprawl. All these contribute to the thickening soup of complex issues facing small towns.

"The most common mistake small public jurisdictions make," explains Al Bell, senior consultant with The Planning Center in Newport Beach, "is to neglect confronting the reality of their current situation. They overreact to growth concerns and set constraints, as a community, that cause severe problems within their constituency. Then, they are still lambasted by the growth pressure surrounding them with little or no control."

"Its a mistake to think," continues Bell, "that a small town can control its destiny simply through local ordinances and old-style planning formulas. It is artificial and gives false hope for their future."

Small towns may actually be a misnomer, according to some professional planners. The Planning Center identifies a small town as a community with a stable population surrounded by vast amounts of undeveloped land and isolated from most of the impacts of surrounding communities or the region in which it is located. It typically has a single economic activity (perhaps two); a dominant mind-set among the population that feels their town is "unique" and distinct from all others; primary control of the land, improvements, and resources in the hands of people and firms from within the community; a perception of "smallness" by the residents, even if the population grows as high as 50,000 or more; a belief by most residents that people may get to know everyone and everything in town if they choose to; a visual appearance that results because structures were built at differing times by different builders and residents; and a local power structure dominated by families who have lived in the town for a long time.

"The clearest definition," cites Bell, "is that the residents feel that this is 'our' town." Bell speculates that as many as 70 percent of California's 367 towns would fit this definition.

For example, the City of Danville in Contra Costa County would meet this definition. Former Danville Director of Planning Joseph Calabrigo describes the town as approximately 19 square miles with a middle to upper-middle class population of 34,000. It has a small commercial downtown area servicing the primarily bedroom community. Heavy commercial development on the perimeter is affecting the planning and funding priorities at city hall.

"We have a very active public-participation process," states Calabrigo, "that extends to the formulation of our general plan to adopting land-use permits and even to just asking basic questions like 'What are Danville's issues and how are we doing in meeting your needs?'

"Danville has had 4000 housing units approved since 1985 — a 40 percent increase overall. That kind of rapid growth brings with it problems and pressures from conflict with the 'old' and 'new' residents," Calabrigo notes. "In my opinion, people move here for the basic quality amenities we have been known for since the 1960s. But new residents are associated with the problems that we now face including traffic congestion and school overcrowding. Our city council is trying to promote a sense of shared identity — we are all part of the problem and we are all part of the solution — if we try."

Iris McQueen is a freelance writer from Sacramento.

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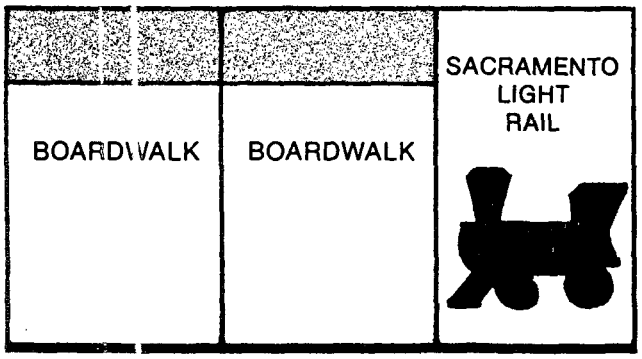

his days as a legislator, from 1960 to 1980, when he saw his own regional-government bill die on the Senate floor because supporters refused to allow the plan to go to a referendum of the people — the price asked by several conservative senators who wanted to preserve local control.

"I felt strongly that it was something the people should not have had to vote on. It's very complicated, and it would have just been demagogic," Knox said. He added that hardline conservatives will probably oppose any regional-government plan this time around as well but probably don't have the votes to kill it.

The basic idea of coordination among regional authorities is one that both CSAC and the League of Cities are in agreement with because they feel it would eliminate confusing and many times clashing signals received from the various regional entities that already exist.

This is the general thrust of AB 4242, carried last session by Assembly Speaker Willie Brown of San Francisco, the strongest piece of legislation in a series of bills dealing with growth management. The speaker's involvement has also helped push the issue into the limelight. "The seriousness of the speaker in carrying this bill certainly raises the profile of this issue," said Todd Kaufman, a principal consultant with the Assembly Office of Research.

Brown's bill died in the Assembly Local Government Committee during the waning days of the 1989-90 legislative session, but the speaker has promised to revive a similar piece of legislation in 1991. Had it survived, however, AB 4242 would have created regional agencies with the author-

urban morass

By Iris McQueen

"The real trick in public participation," counsels Bell, "is to offer authentic opportunities to be sufficiently involved to influence decision-making; that includes old-timers as well as those who just moved in. Wise planners focus on predicting trouble spots in their public participation process before they begin."

According to Bell, the most common trouble spots are:

- Not knowing the community and misjudging people's relationships and values within their community.
- Using the wrong strategy, or none at all. Planners frequently exclude some of the primary affected users, such as police and fire. Good intentions can still produce bad outcomes.
- Poor timing for the process — either too early or too late.
- Assuming the community doesn't understand growth issues (or that they do).
- Losing control at public meetings or letting them be dominated by special interests.
- Talking jargon being unclear or stilted is a turnoff and a putdown.
- Failing to clarify roles, responsibilities, and expectations.
- Too much or too little participation by too many or too few.
- Lack of faith in a selected strategy.
- Getting caught in cross fire with political interests.

"There are many other traps," reminds Bell, "but it's most important that the effective planner or community official prepare for them, plan for them, and then grapple with them within the process. It is hard work, but it definitely pays off because more interests are represented; thus more folks feel they own the process and will support it as well as defend it."

"In our town, perception seems to be the greatest indicator of how much participation we will get," says Calabrigo. "We can have a 250-unit housing development public hearing and get only a handful of residents out to evaluate it in terms of our plan and community values. But we have a small, 10-unit parcel split, in the older part of town, and 150 agitated residents will show up to comment. It seems to depend on how it affects them personally."

Edmund Burke ("Citizen Participation Strategies," *American Institute of Planning Journal*, 1968) recommends five basic strategies for improving the quality and quantity of citizens participating in the planning processes. These techniques work equally well for small or large communities but seem designed to fit the needs and interests of the small town that is pressured by growth and new resident priorities for service. They include:

- Education Therapy — teach participants about community planning as a discipline and as an economic and political function as well as when and how to participate.
- Behavioral Change — equip participants with tools, skills, and techniques to come to consensus and defuse conflict in a constructive manner.
- Staff supplement — augment local resources with qualified professionals to facilitate and guide the work effort within established time frames. This supplement must be untainted with any hidden agendas.
- Co-optation — bring specific interests through conflict and competition to a new state of cooperation and collaboration (both staff and citizens).
- Community Power — empower and enable the community to identify and preserve their own local values and priorities within the plan including levels of service, levels of funding, priorities for growth in housing and commercial, as well as economic development issues.

For California's small towns, the pressures associated with growth offer both political pitfalls and opportunities for officials and bureaucrats. The likelihood of citizen discontent is great, but there is also hope that residents can establish and maintain their precious community values and local resources.

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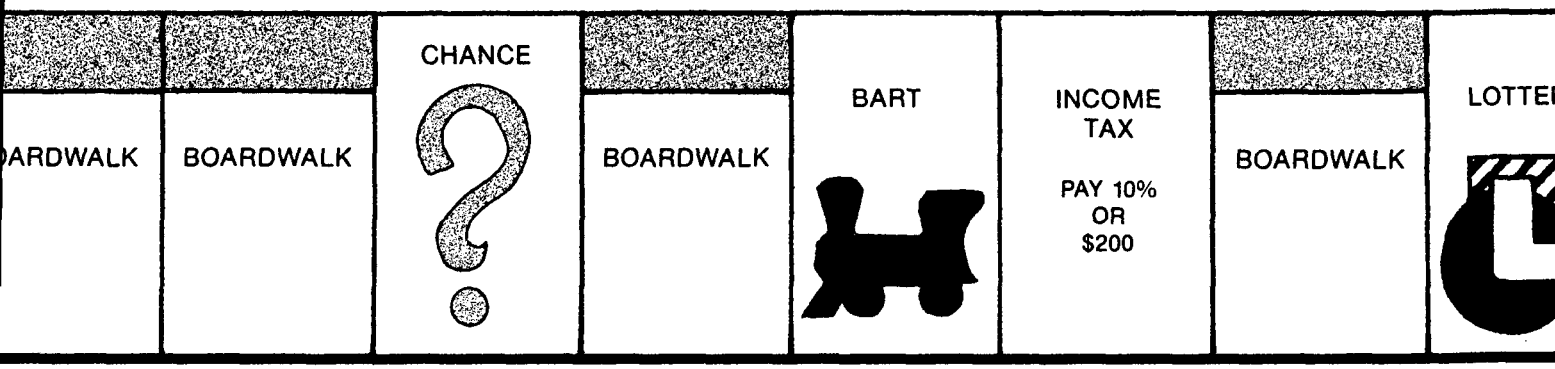

ity to mandate local change through land-use planning. These new regional agencies would have been put together by consolidating already existing single-purpose agencies into single units. No fewer than five other bills dealing with institutional change were also introduced during the last session, with a common thread to deal with growth management. None of the bills survived.

The focal point for these legislative battles was the Assembly Committee on Local Government. With so many different ideas on growth management, a special group within the committee was formed to resolve potential conflicts between the bills. The Local Government Committee also held a hearing on regional governance and a joint Senate and Assembly hearing, entitled "Managing California's Growth: Striking the Balance," in an effort to reach a consensus on the issue.

Besides the work of the Local Government Committee, the Assembly Office of Research is currently working with CSAC, the League of Cities and a number of other interested parties to overcome what proved to be fatal problems associated with AB 4242's version of regional government. Chief among the concerns was the measure's failure to address fiscal problems facing local government.

According to Democratic Assemblyman Sam Farr of Carmel, chairman of the Assembly Local Government Committee, it was the fiscal issue rather than partisan conflict that slowed immediate progress on the growth issue. Farr, who unsuccessfully carried a bill that would have created a state planning agency, also underscored the need for the state to take a much stronger role in stating its policy concerning growth management. "Part of the problem is that the state's got to get its act in order, because you can't ask local government to fall into a parade when there's no clear direction in which the parade is going," he said.

Currently there appears to be a great deal of cooperation between the Legislature and concerned parties like CSAC and the League of Cities. "We don't want to be obstructionist to this process ... we would like to ideally view this as a kind of cooperative partnership approach on solving problems that face our mutual citizens," said Naake.

Despite this apparent cooperation, however, it is clear that local entities wish to forfeit as little land-use authority as possible, no matter what new governmental structure the Legislature might create, if any. Local agencies say they have already been forced to give up a portion of their land-use authority to existing single-purpose regional agencies such as air-quality management districts and transportation-planning agencies. Now they are fighting to keep their remaining authority. Whether or not local agencies can hold their own remains to be seen.

The problem, claim local officials, lies in trying to decide what regional land use falls under the authority of whatever regional agency might be formed, and what local land use falls under the authority of the city or county.

"I think local government is very interested in a better way of looking at those truly regional land-use decisions, but at the same time interested in retaining authority over local decisions," said Donald Benninghoven, the League of Cities' executive director. "And when there's a difference of opinion on that basic issue, which there will be, then there needs to be a mechanism for resolving those disputes."

The problems created by poor planning and heavy growth stare everyone in the face. Once quaint and peaceful, many Northern California cities now resemble the mess of smog, water shortages, gridlocked freeways and overpriced housing that has been the status quo for much of Southern California for years. Resolution of the problem will involve complex negotiations, and some recognition by everyone involved that the old way of parceling out authority no longer solves problems.

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URBANIZING CALIFORNIA'S FARMLANDS

Everything's coming up houses

By Al Sokolow

Illustration by Rob Wilson

It is the nation's top agricultural county, producing commodities worth more than $1.6 billion in 1989. But Fresno County holds another distinction as well, one that threatens to diminish its stature in agriculture: It is one of the nation's most rapidly urbanized counties, with the city of Fresno alone adding an estimated 100,000 new residents since 1980. That marks a 45 percent increase.

Many of Fresno's newcomers live in neighborhoods built on land that had been in crop production. Between 1980 and 1987 the city annexed about 31 square miles of largely undeveloped land to accommodate residential and commercial growth.

Nor are these experiences unique to Fresno County; they apply to the entire San Joaquin Valley, California's premier farming region, where booming population growth in recent years has intensified the competition between agricultural and urban uses for land and for other scarce resources, including water and clean air. With higher land values for development, agriculture is losing ground, leading some observers to forecast a much less-productive California farm sector in the coming century.

The 250-mile stretch of fertile land between Stockton and Bakersfield accounts for about half of California's total agricultural market value. The eight-county region grew almost $7 billion worth of crops and livestock products in 1989 — about equal to the total production of a major midwestern farm state such as Nebraska or Kansas. Besides Fresno, other Valley counties listed in the top 10 farming counties nationwide are Kern, Tulare, and Merced (second, third and seventh, respectively).

The San Joaquin Valley is also the nation's most diversified farming region, if not the world's. Because of climatic and soil variations, it is a leading producer of livestock commodities, tree and vine crops, vegetables, grains, cotton and other products. The threat is that intense population pressures can severely cut into this productivity. Between 1980 and 1989 the Valley recorded an estimated 27 percent increase in population, exceeding the statewide increase of about 21 percent. California Department of Finance projections give the Valley an additional 1.2 million residents by 2010, boosting the eight-county population to 3.8 million from the current 2.6 million.

Any major reduction in the region's farming would be "a crime and a tragedy, considering the productivity of the land," said Joe Fontaine, a former national president of the Sierra Club and a Kern County resident. "I don't think any of us wants to see the Central Valley converted into a Los Angeles."

Fontaine spoke at one of two public forums held this spring in Sacramento and Fresno by the University of Cali-

Al Sokolow is a professor of political science at the University of California, Davis.

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fornia. Organized by the university's Agricultural Issues Center, the forums featured the results of a two-year study of the impacts of urbanization in the San Joaquin and Sacramento valleys, conducted by a team of UC researchers. Among their findings:

- Population increases are driven by new jobs, foreign migration from Southeast Asia, Mexico, and elsewhere, and by the attraction of relatively inexpensive housing for commuters and retirees from the San Francisco Bay and Los Angeles areas.
- New arrivals are creating a more diverse Valley population, which Edward Blakely and Ted Bradshaw of UC Berkeley predict will diminish popular support for the region's agriculture in the long run.
- The increasing competition between farm, urban, and wildland uses for scarce water supplies is complicated by serious water-quality problems, including salinity and groundwater contamination.
- In the absence of significant new controls, the degradation of the Valley's air quality will continue, according to Richard Howitt of UC Davis.

In state policy circles, the issue of protecting agricultural land from urbanization currently does not have much visibility. Some mainstream agricultural and environmental organizations — such as the Farm Bureau, the American Farmland Trust, and the Sierra Club — do fret about urban encroachments on prime farmland. But few policy proposals or studies on the problem have emerged from the Legislature and the executive branch in recent years.

"More people are interested in protecting the coastal region than this area, which is more important agriculturally," says Rolland Starn, a Stanislaus County supervisor and farmer.

One reason, perhaps, is the tendency to emphasize California's urban growth as a metropolitan congestion and lifestyle problem, while viewing its impact on farmland protection as a narrow regional issue. Another may be the limited political clout of the San Joaquin Valley in statewide affairs, since it contains barely 9 percent of California's population. Then there is the Deukmejian administration's preoccupation with economic-development initiatives in rural areas — an effort that generally overlooks the contributions of agriculture to a balanced economy.

In any event, existing state policies provide little direction or incentive for farmland protection. Exceptions are the 25-year-old Williamson Act and the agricultural priorities of the Coastal Act. A voluntary program, the Williamson Act provides a property tax break for owners of farmland who agree to forego development for 10-year periods.

Legislative efforts in the 1970s to mandate stronger preservation controls at the local level were unsuccessful. They have not been duplicated since, although some groups now urge less regulation-oriented approaches to the problem, such as the purchase and transfer of development rights.

Much more attention is given the farmland issue locally in the San Joaquin Valley and in other farming areas of the state. All county governments in the Valley but one (Merced) participate in the Williamson Act. Several counties also in recent years have beefed up farmland protection policies by increasing minimum parcel sizes for agricultural zoning to prevent parcelization, and by adding agricultural elements to general plans and adopting right-to-farm ordinances.

While such policies may help to divert urban growth away from certain areas, they do little directly to reduce the overall rates of farmland conversion. Cities are more supportive of growth and have more control over land-use changes than do counties. They control annexation and sphere-of-influence decisions (approved by LAFCOs) and stimulate development by providing streets, sewers, water supply and other municipal services.

An ideal scenario, then, would have the county and city governments working closely together to accommodate both farmland protection and population increase goals. They could cooperate in the careful phasing of future growth and in promoting more compact land development. What limits such cooperation, however, are developer pressures, traditional political rivalries in some places, and post-Proposition 13 revenue constraints that force counties and cities to compete for a tax base.

Cooperation on land-use matters varies greatly from one end of the Valley to the other. At one extreme is the agreement expressed in the Metropolitan Bakersfield 2010 general plan, jointly prepared by Kern County and the city in 1989. Much more conflict takes place in territorial relations in San Joaquin County, marked by county-city and city-city competition for the most desirable slices of spillover growth from the nearby Bay Area.

Lurking above the local institutions of the San Joaquin Valley is the prospect of stronger regional government — the most discussed idea in state Capitol circles for dealing with the growth problem in California. Calls for more regionalism are primarily a response to metropolitan congestion. While they do not deal directly with the farmland issue, they certainly may affect local protection policies by wresting away from counties and cities in the Valley much of their authority over land-use matters.

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Local officials and community leaders in the Valley, as elswhere, are leery of the erosion of local control suggested by such proposals as Assembly Speaker Willie Brown's AB 4242. Withdrawn by Brown for further work at the end of the 1990 legislative session, the bill would have set up seven regional development agencies throughout the state. Local leaders prefer softer solutions, such as voluntary intergovernmental cooperation and revisions in local planning policies.

In fact, the eight-county Valley has far less regional organization and cooperation across county and city lines than is found in the Bay Area, Sacramento, and Southern California metropolitan areas. All councils of government in the Valley are single-county organizations, for example, as compared to the multi-county agencies in the larger metropolitan regions such as ABAG in the Bay Area.

This puts the Valley at a disadvantage in dealing with state actions and other pressures. Bill Briam, executive director of the Fresno County Council of Governments, believes that the region needs to establish a cohesive identity and a growth plan to head off planning imposed by the state. Accordingly, some Valley leaders have been promoting various forms of cooperation on their own terms, including a joint study of the region's air-pollution problem.

Considering the great quantities of agricultural land in the state, some commentators may downplay the impact of urbanization in the San Joaquin Valley. The conversion of farmland to housing and other uses certainly is not a new development in California. Since at least World War II thousands of agricultural acres every year have given way to the steady expansion of cities and residential subdivisions. What makes the current trends in the San Joaquin Valley more threatening to California agriculture than at any time in the past, in the view of UC researchers and others, is the increasing rate of conversion combined with the state's fixed cropland base.

Projecting recent trends, the American Farmland Trust estimated in a 1989 report that a 10-county area including the San Joaquin Valley would lose more than 300,000 acres of farmland to urbanization over the next 20 years. Measured by the region's total of more than five million acres of cropland, this is hardly a major blow — less than 6 percent of the current supply. Yet most of the farmland acres being converted are among the most productive in the region, located generally within the Highway 99 corridor.

Whatever the number of acres lost to urbanization, it is unlikely that they can be replaced in the future by opening up new lands for growing crops in the Valley or elsewhere in California. Substantial amounts of uncommitted water no longer exist, unlike in the expansionist 1960s and '70s when the State Water Project and other developments helped to open up vast new agricultural areas, primarily on the west side of the Valley. In the decades after World War II rapid urbanization ran over more than one million acres of farmland in California's coastal areas. Much of the affected agricultural production was not lost but was transferred to the San Joaquin Valley. Available water and land permitted the relocation of citrus, dairy, and other farms. California no longer has surplus supplies of these resources.

Decisions to convert farmland are irreversible decisions, notes Warren Johnson, UC Davis agricultural economist. He sees the San Joaquin and Sacramento valleys as California's last agricultural frontier.

"There are no more valleys over the hill, east or west, to absorb losses in Central Valley agriculture," warns Johnson.

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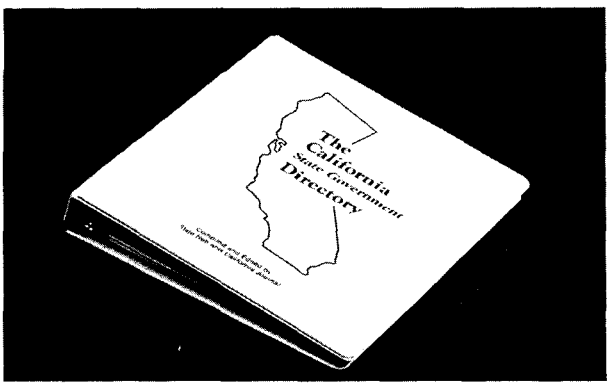

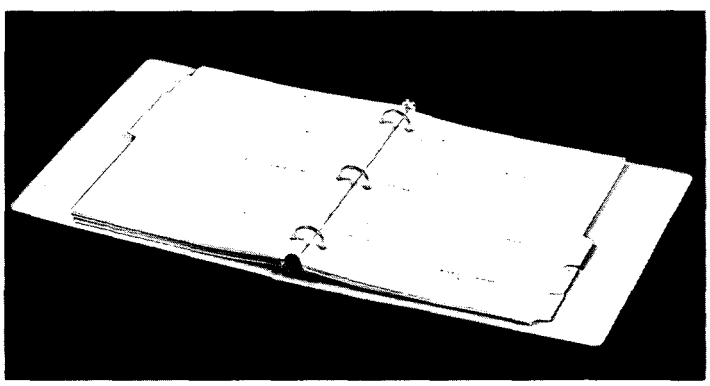

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TOO MUCH OF A GOOD THING?

Recycling weathers a glass glut

By A.G. Block

Illustration By Chris Van Overloo

They sit in a cluster in supermarket parking lots — shed-size gumdrops painted in the colors of America (red, white and blue) and of the environment (green). They are filled with aluminum cans and beer and soda bottles and plastic beverage containers. And they are patronized by a cross-section of California society: by vagrants who have gleaned through trash bins and scoured roadsides and curbsides and beaches and park grounds; by office workers who have toted in refuse from the lunchroom; by suburbanites who have bagged the recyclable flotsam and jetsam from last weekend's bar mitzvah party.

They are California's recycling centers and, after three years in operation, they have become a permanent part of the landscape. And they represent a state program that seems to have weathered a slow infancy and a rocky adolescence.

The gumdrops began to appear in October 1987 when the state launched a redemption program meant to reduce the ever-increasing amount of trash flowing into the state's gradually shrinking acreage of landfills. The program was designed to collect aluminum, glass and plastic beverage containers and funnel them to processors, who would then convert them back into usable products. To cover the refund costs, corporations like Coca Cola and Budweiser paid the state 2 cents for every container they distributed.

Consumers would then bring empty containers to some 2600 recycling centers, set up mostly in supermarket parking lots, and receive a refund for items that qualified for the redemption. In the beginning, that refund amounted to 1 cent for bottles, cans and jugs that had held carbonated beverages (2 cents for those 24-ounce containers). (It has since been expanded to 2.5 cents per container; 5 cents for 24-ouncers. The state can afford to pay out a half-cent more per container than it receives because there is not 100 percent recycling.) Recyclers would then bill the state for the refund, and sell the scrap to processors.

As part of the political compromise that created the state's program, glass, plastic and aluminum manufacturers agreed to buy back all of the material recycled in California.

The program started small; only containers for carbonated beverages were eligible at first for redemption. Basically, that meant beer and soft drinks. Wine-cooler bottles were included in 1990. Theoretically, the list of recyclable products will be expanded gradually over the years to accommodate nearly all glass, aluminum and plastic products. (Glass products with no California redemption value may now be recycled, but consumers do not receive cash for turning them in. For instance, glass jars that once contained pickles or ketchup or wine or single-malt Scotch whiskey, or aluminum cans used for fruit juice, may be tossed into the same gumdrops with beer bottles and cola cans — and thus be recycled — but they are, in a sense, donated to the cause. The state does not pay for them, nor are distributors charged a processing fee on them.)

Early this year, after two years of so-so results, the program hit a major snag. Overnight, Californians seemed to be doing a terrific job of filling those gumdrops. They were doing such a swell job redeeming glass bottles, for instance, that the state faced a glut of recycled material — so much glass that recyclers were hauling it to landfills rather than selling it to processors for new glass bottles. Accord-

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ing to Californians Against Waste — a strong proponent of the program, as much as 7500 tons of glass went into landfills before the problem was corrected. Since the state program was originally designed to keep glass, aluminum and plastic containers *out* of landfills, the practice of dumping unwanted glass back into the earth seemed self-defeating.

"It was fair to say there was a glut," conceded Randall Ward, director of the Department of Conservation — the state entity that administers the redemption program.

The glut didn't develop because Californians suddenly got recycling religion. It developed when the redemption value more than doubled — from 1 cent to 2.5 cents per container (5 cents for 24-ouncers) on New Year's Day, 1990. Also, more than 100 communities throughout the state set up curbside recycling programs, where the community would collect recyclables placed at the curb and use the redemption fee for community projects.

According to the Department of Conservation, redemption levels skyrocketed after the price went up. For example, 106,587 million tons of glass were recycled during the first six months of 1989; 179,834 million tons during the first six months of 1990 — nearly a 70 percent increase. That represented 58 percent of all redeemable glass bottles put into circulation, up from 47 percent the previous year. In other words, nearly six of every 10 redeemable glass bottles sold in California came back through those gumdrops.

Plastic containers experienced an even more dramatic increase — from 1223 million tons to 4184 million tons, or a 242 percent increase. That growth brought plastic recycling to 21 percent of redeemable containers in circulation, up from only 6 percent over the first six months of 1989.

The new rates had the least impact on aluminum. Aluminum recycling grew from 58,046 million tons to 65,329 million tons over the same period. But since aluminum recycling was already at a high 73 percent of potential, the spurt of growth brought it up to "only" 81 percent.

Success was drowning the program, and glass was especially sensitive to the growing supply of recyclable material. Not only was there a glut of glass, but it was cheaper to make new glass from scratch than to use recycled material. In addition, the price of scrap glass stood at about $60 per ton, far below the $93 per ton it cost to collect, sort and haul recycled glass. Finally, glass processors began to be picky about the glass they would accept from recyclers; they refused, for instance, to accept material that was not separated by color and free of extraneous debris. That made the recycling process even more labor intensive, and more expensive.

Recyclers themselves were caught in a squeeze. Normally, if a business lost money on glass, it would stop collecting and selling glass and concentrate instead on aluminum and plastic, where profits were still good. But under California's program, recyclers could not specialize — they had to collect and process all three materials.

According to Randall Ward, a similar glut did not occur in aluminum because aluminum manufacturers have been recycling for more than 20 years and had developed an infrastructure able to handle the ebb and flow of supply. Plastic recycling levels were so low that the market was able to accommodate growth.

Along about the middle of February the situation became acute as recycled glass began showing up in landfills. The state accused glass manufacturers of using technicalities and low prices to renege on their original agreement to buy back all glass recycled in California. Processors argued that they could buy glass elsewhere for $60 per ton, or make it cheaper than they could buy recycled glass. It was, they insisted, a business decision.

The Legislature came to the rescue this past summer when it passed a bill (AB 1490, by Democratic Assemblyman Byron Sher of Palo Alto) that strengthened the original legislation by adding teeth to the requirement that glass manufacturers buy back all recycled glass. In short, the Legislature mandated that container manufacturers pay for the cost of recycling their containers in one of two ways: pay an advance processing fee (about .6 cents per container) to make up the difference between the relatively low price of scrap glass and the measurably higher cost of recycling it; or artificially inflate the price of scrap bought from recyclers to cover the cost. The legislation also tossed a sop to California-based glass manufacturers by giving them back excess funds from the processing-fee fund as an incentive to develop glass markets. Most glass manufacturers, however, chose to pay higher prices for scrap.

Not that the legislative solution proceeded without a fight. The Glass Packaging Institute tried to torpedo Sher's bill by marshaling a powerful ally on its behalf. Assembly Speaker Willie Brown Jr., who had received $8000 in campaign contributions from the institute over the past two years, pushed a rival bill that would have prohibited any processing fee until 1992. Critics of the Brown measure said it would destroy the recycling program because it dumped the requirement that processors buy recycled material. Ultimately, the Legislature dumped Brown's bill in favor of Sher's which was signed into law by Governor George Deukmejian in September 1990.

The recycling program did suffer one defeat, however, when lawmakers killed an attempt to include wine and liquor bottles in the program. The bill, AB 3050 by Democratic Assemblyman Burt Margolin of Los Angeles, was defeated in the Senate Natural Resources and Wildlife Committee in August after heavy lobbying by the Wine Institute.

Despite the legislative battles, where is California's recycling program headed?

Randall Ward thinks the program is in good shape and that it will continue to expand. There are now some 2600 recycling centers, plus 130 community curbside programs operating in California.

"Recycling is an ethic, an attitude," explained Ward. "In the past, we've been used to putting [cans and bottles] in a trash can and watching it disappear. Our parents were used to recycling. During World War II they recycled everything — especially aluminum and rubber. For baby boomers, however, this is a new ethic, and it has to be driven by some imperative. In World War II the imperative was easy — a new bomber. This time, it's landfill capacity."

But landfill capacity in an era of relative affluence and peace isn't as glitzy or as urgent as a new bomber or a new destroyer or another squadron of tanks was in an era threatened by rampaging dictators. The ethic has to be reinforced and, as experience shows, one way to reinforce it is with money. Program goals call for a 65 percent rate of recycling on each of the three materials by 1993 — or the refund value of a container doubles to 5 cents (10 cents for 24-ounce containers).

"We've tried, through our promotion campaigns and grant programs to develop priorities [among the population]," said Ward. "We've had a lot of success to date, and it will continue."

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Illustration by Pierre Babasin

THE VALDEZ PRINCIPLES

Is it time to put Bambi in the boardroom?

By Tracy Fine and A.G. Block

When the supertanker *Exxon Valdez* gouged its hull on a sand bar in Prince William Sound, Alaska, in March 1989, it created more than a massive oil spill. It also sparked new concerns over industrial impacts on the environment, especially in so fragile an eco-system as the Alaskan wilderness. To address those concerns, a coalition of environmentalists and socially conscious investors have taken a cue from the anti-apartheid fight waged against the South African government and devised an environmental code of conduct for industry: the Valdez Principles.

Tracy Fine was a California Journal *intern. A.G. Block is managing editor of the* Journal.

Those principles were set down in Senate Concurrent Resolution (SCR) 84, a resolution overwhelmingly approved by the Legislature during the waning days of the 1989-90 session and immediately embraced by the boards of directors of California's two largest public investors — the Public Employees' Retirement System (PERS) and The State Teachers Retirement System (STRS).

The Valdez Principles, named after the *Exxon Valdez*, are a 10-point guideline which creates a voluntary system of corporate self-governance. The first eight principles request that companies reduce waste, use resources wisely, market safe products and accept responsibility for past harm to the environment. The code's most controversial points, nine and ten, call on companies to have at least one member on their corporate board who knows environmental issues, and to allow annual public audits of their environmental progress.

SCR 84, carried by Democratic state Senator Gary Hart of Santa Barbara, asked that the administrative boards of PERS and STRS take shareholder action respecting the Valdez Principles in their proxy voting policy by having the boards' requests and voting adhere to the environmental code at annual shareholder meetings. Both boards agreed soon after SCR 84 passed the Legislature.

Senator Hart said that the Valdez Principles would allow consumers and shareholders alike to make prudent choices concerning corporate investment.

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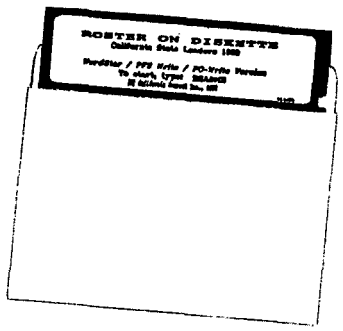

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"We want corporate America to start taking the environment seriously," Hart explained. "Consumers over the past five years have decided that we have to begin to make wise choices, like which corporations to financially support and which to avoid. The fact that these points [the Valdez Principles] have been drafted shows that something positive can come out of a negative — a much needed environmental sensitivity."

While the Valdez Principles might be an ideal declaration of good environmental intention, some critics argue that without corporate support and the force of law, big business lacks the initiative necessary to jump on this ecological bandwagon.

Not suprisingly, big oil conglomerates like Chevron and Exxon have yet to sign the Valdez Principles. Both companies argue that the points are written too vaguely to act as adequate codes of conduct, and that the Valdez Principles are redundant to self-made codes already in place. Also, the term "Valdez" touches a sore spot upon corporate memory, some say.

According to Malcolm McAuley, the corporate secretary of Chevron, one reason the company was reluctant to subscribe to the principles was because the board believed the code was a negative campaign, overly critical of industry. "We felt that [the name Valdez] is extremely negative to put on a company, especially one trying to do its best for the environment," McAuley said.

Dave Cline, the Regional Vice President of the National Audubon Society in Alaska, says that in order for industry to keep its heads above the water, it must make business concessions to protect the environment. And this means following preventive guidelines such as the Valdez Principles.

"The Exxon disaster showed that things were getting out of control and higher business standards must be set," Cline explained. "The Valdez Principles are not meant to be corporate bashing, but an alternative business practice."

Exxon spokesperson Bill Smith says Exxon decided to vote against becoming a signatory because good environmental practices, such as those spelled out in principles one through eight, are already inherent in long-standing practices of the company. "We already adhere to them [the Valdez Principles]. Legally, it is not wise to sign something so vague, and agree to have our records made public," he said.

Hart says it is in a company's best interest to agree to a voluntary resolution now instead of facing perhaps a harsher federal regulation later. "SCR 84 is an attempt to work internally within industry instead of outside with restrictive regulations," Hart said.

"The fact that [the Valdez Principles] have been drafted shows that something positive can come out of a negative ..."
— State Senator Gary Hart

Yet Denis Hayes, co-chair of the Coalition for Environmentally Responsible Economies (CERES) and an organizer of Earth Day 1990, believes the federal government, under the Bush administration, will never pass strong environmental regulations, and therefore the Valdez Principles are a necessary alternative.

"Since the government is unprepared to protect the environment through regulations, CERES decided to get started right now instead of waiting for a new day," Hayes explained. "The bottom line is that we're facing some fundamentally important environmental issues that corporate actions are going to help decide over the course of the next 10 years. We can't afford to waste any more time."

Created and administered by CERES, the Valdez Principles' purpose is to help investors make informed decisions about environmental issues. CERES asks corporations to become a signatory of the principles, with the implicit suggestion that investments could eventually be contingent upon compliance.

The Valdez guidelines are modeled after the Sullivan Principles — the corporate divestment codes governing industry's behavior in South Africa. CERES hopes the Valdez Principles will become a world-wide role model for responsible corporate behavior to-

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ward the environment as the Sullivan Principles are for responsible investment in dealing with human rights.

But the Valdez Principles differ from the Sullivan Principles in that the environmental code does not call for boycotting or divestment outright, but for an initial cooperative accordance with industry.

CERES consists of representatives from both investment and environmental groups. The investment force includes Franklin Research and Development Company, U.S. Trust Company and the Social Responsibility Investment Group. Both state Controller Gray Davis and his New York counterpart are members of the coalition. The environmentalists include the Sierra Club, the National Audubon Society and the National Wildlife Federation.

According to Gray Davis, who is also trustee for PERS and STRS, the rise in public concern over environmental protection will allow investors and companies who embrace the Valdez Principles, namely, the California retirement systems, to increase market share and profit substantially. "I believe that the pension funds will make even more money by investing in corporations sensitive to the environment," Davis said.

Though difficult to prove, most agree that prescient behavior today will save corporate expense tomorrow. Jose Arau, principal investment officer, says that in April of this year PERS needed to develop a new proxy voting policy, and the staff recommended to the board to support the Valdez Principles. Arau thinks that the consequences of not following them are more costly to the financial strength of the retirement system than not abiding by them.

"If you have an oil spill like last year's *Exxon Valdez*, then the cost of cleaning up is so horrendous that it pays to avoid this happening in the future," Arau explained. "We hope corporations will pay attention to major shareholders policies in this area. They [corporations] are listening more and more to us as far as what we think. Industry will see that we are serious about it."

Peter Berle, chief executive of the National Audubon Society, also believes environmental controls lead to eventual cost savings. "I don't think responding poorly to the Valdez crisis made any money for Exxon. In fact they lost millions due to the clean-up," Berle said. "Responsible environmentalism will ensure less liability and allow the consumer to think good things about what the company is doing."

Berle points out that Amoco Oil's adoption of double-hulled tankers received such a positive public response that sales improved considerably. On the other hand, not long after the *Exxon Valdez* spill, 41 percent of Americans were angry enough to say they'd consider boycotting the company.

Kathleen Brown, Democratic candidate for state treasurer, strongly thinks that foresightedness on the part of corporations will prove most beneficial to investors in the long run, especially to STRS and PERS. "If you find toxic waste that has been improperly disposed of by a corporation, there will be a high price to pay whether it is in legal or cleanup costs," Brown explained. "The fiduciary duty of a trustee is to ensure that you will get the highest rate of return for your shareholders. One of the largest cost areas in corporate America today is environmental liability."

While incumbent Treasurer Tom Hayes, her GOP opponent, recognizes the importance of supporting environmental awareness in the retirement systems' investment via the Valdez Principles, he stresses the necessity of keeping government and business separate. "Government has no business in a corporate board room. Our relationship with business should focus on assuring ourselves that businesses are run in a manner that protects our investments," Hayes said. "Those in private industry are experts in that arena. We should do our job — there are plenty of environmental laws for us to enforce — and allow business to do its job, recognizing the long-term benefits of environmental awareness."

Skeptics of the effectiveness of a voluntary environmental ethic question whether or not the Valdez Principles contain more smoke than substance. Though multi-million dollar corporations like the ESPIRIT Clothing Company and the California-based Aveda Hair Products have signed on, no major chemical or oil companies, historically the biggest environmental abusers, have become signatories.

Davis and Hart believe that companies will have an added incentive to sign the Valdez Principles because they may capitalize upon their show of good behavior, using the support of the principles in marketing campaigns to improve sales. And once corporate America realizes the financial gains to be made, more and more companies will sign the Valdez Principles.

But Mike Matz, the director of oil- and energy-related issues for the Sierra Club, says advertisements announcing a company's good environmental intentions might be no more than corporate eco-babble in attempting to placate public concern. "Companies like Chevron see environmental awareness as a public relations opportunity," Matz explained. "The corporation is dictated by profit. That is why we think it's important to have external checks and balances. Because of this, however, many corporations are not willing to prescribe to the Valdez Principles."

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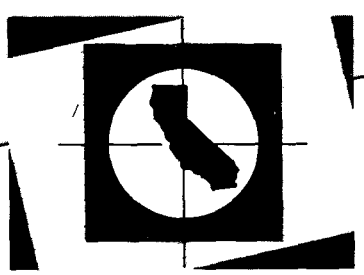

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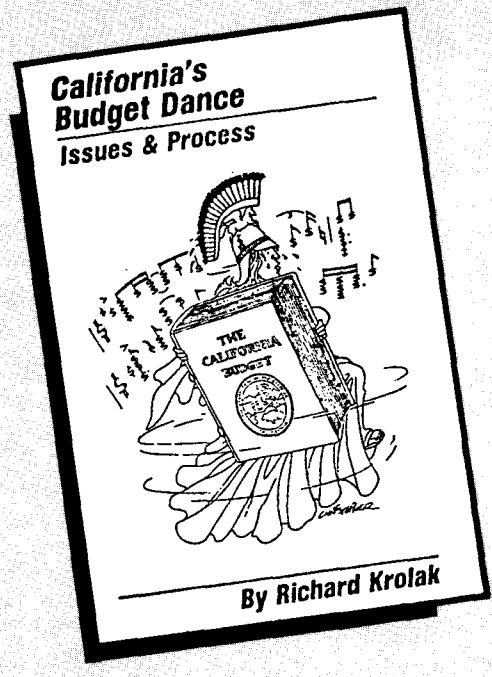

California's Budget Dance Issues and Process

By Richard Krolak

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are ARCO, Chevron, Colgate-Palmolive, and Procter and Gamble. None of these companies has signed the Valdez Principles.

Despite enthusiasm from most environmentalists and certain members of the state Legislature, corporate America is still finding the Valdez Principles difficult to swallow, especially the requests in principles nine and ten calling for an environmentalist on the board and an annual public audit.

Jennifer Morrill, legislative coordinator of STRS, says that while voting on shareholder proposals under the guise of the Valdez Principles is an effective way of voicing the investor's stance on environmental issues, STRS is only abiding by principles one through eight, not nine and ten.

"The board did not support [nine and ten] because they felt that they should not be limited to those two principles," Morrill said. "When we notify corporations that we've embraced the principles, we send along a letter explaining that nine and ten are suggestions, or are representative of the kinds of things that corporations may do to comply. But we do not consider nine and ten to be binding."

Yet Joan Bavaria, co-chairperson of CERES, believes that the first eight principles are meaningless without the tenth principle allowing public accountability. "The difference between having companies develop their own principles, then monitoring them internally is like putting the fox in the chicken house. We aren't saying that we don't systematically mistrust companies, but if companies are completely forthcoming, then they will be happy to have that performance tested every year," she said.

Whether or not Chevron or Exxon eventually signs the Valdez Principles, the fact remains that huge oil conglomerates are finally realizing the power shareholders possess, especially sizable investors like California's two retirement systems. "Large corporations like ourselves are very aware of the state pension funds," McAuley added. "What the shareholders dictate does not go unnoticed."

Environmental farsightedness on the part of corporate America just might save the oil companies from stiffer regulations and billions of dollars down the road. The *Exxon Valdez* disaster, many say, was the catalyst needed for companies, shareholders and consumers alike to begin re-examining their role in maintaining a healthy planet, and begin a new decade of moral corporate behavior.

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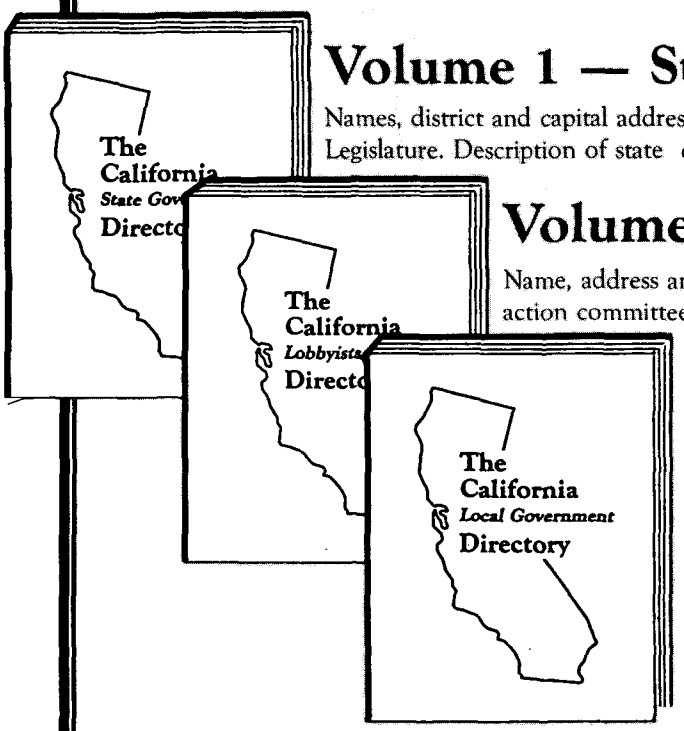

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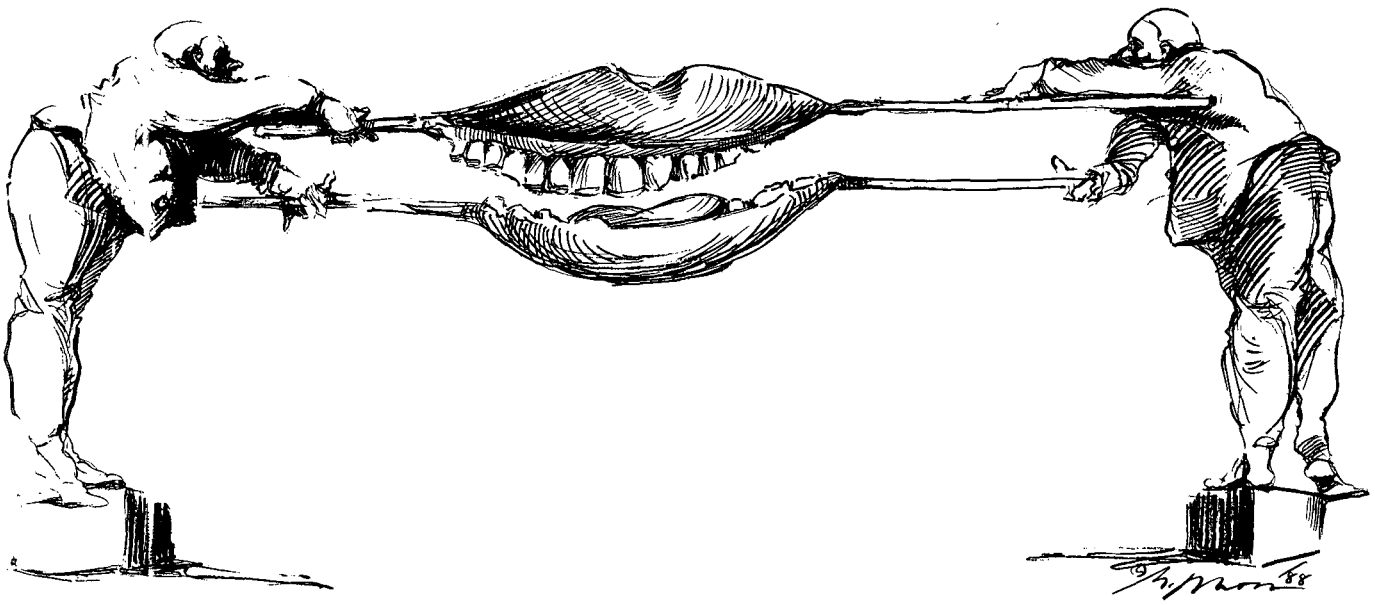

WHEN JOURNALISTS BECOME FLACKS

Is there life after reporting?

By Katharine Macdonald

"You're finding out, aren't you?" asked Larry Thomas, who made the switch from reporter to political press secretary in the early 1970s, and was talking to someone who had made the same switch more recently. Then he made a noise that was not so much laughter as it was the hybrid of a chortle and a sympathetic moan.

It was a noise that has waited the better part of a decade for escape — a decade during which Thomas' partner in this conversation had, as a reporter, asked him questions and questioned his boss' motives and made an irreverent comment or two about both Thomas and his boss.

Thomas, a reporter for the *San Diego Union* before he became press secretary in 1972 to then-Mayor Pete Wilson, was the Deukmejian administration's spokesman from 1982 until 1987. After managing the governor's re-election campaign in 1986, he served briefly as George Bush's press secretary in the office of the vice president.

Pressed for details about what he would expect a newly-minted press secretary to "find out," Thomas neither laughed nor chortled but talked instead about "hard lessons." The hardest time, he said, came when former colleagues in the press, "people who had loved you, and listened to your every word and believed you were highly credible, even when you were sitting on some bar stool, all of a sudden felt you no longer had any integrity or any ethics. Overnight. Because you changed jobs. I had a couple of very difficult conversations that were very painful to me." Those conversations were with reporters Thomas had counted as friends — reporters Thomas felt believed that "if you're not one of them, you're against them. That's what I sense is the attitude [held by reporters] toward people [who, in reporters' terminology, become flacks]."

However difficult some who make the switch might find it, do former reporters have an advantage over press secretaries who haven't worked in newsrooms?

Robert Forsyth, a former *Sacramento Bee* reporter and editor who is Senate President pro Tempore David Roberti's press secretary, believes reportorial experience "helps immeasurably" in the role of press secretary. "A reporter's or editor's training and experience," Forsyth said, "goes beyond the knowledge of how the news business does its job. A good reporter has street smarts, recognizes issues, and has an instinct about what public feelings there are for public policy."

Much of a former reporter's value as a press secretary, Forsyth believes, is found in personality characteristics. "A good reporter is naturally, not necessarily cynical but critical. And candid. Those are the attributes that make

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Katharine Macdonald, a former correspondent for the Washington Post's *Los Angeles Bureau and* San Francisco Examiner's *Sacramento bureau, is the press secretary for Los Angeles City Councilman Zev Yaroslavsky.*

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both good reporters and good press secretaries. The worst press secretary is one who tells the boss what she or he wants to hear all the time. You can't be a good press secretary and be a sycophant ... I have a deep respect for David Roberti, both as an individual and as a lawmaker. But I don't always agree with him ... that doesn't mean you build a staff of nay-sayers. But while a legislator needs a staff that is loyal, you also need a staff, including a press secretary, that is candid and honest; honest to the boss, and honest to the media."

"If you've got a good relationship with the boss, you've got a good media program."
— Bob Forsyth

What happens when reporters want to know something the boss doesn't want them to know?

Cari Beauchamp, who wrote a column for the *San Jose Mercury News* and was a National Public Radio reporter before a two-year stint as a former Governor Jerry Brown's press secretary, said, "There is never a question that your ultimate loyalty is to your boss." Press secretaries mostly hold to the article of faith that they do not lie, ever, to reporters. A few will tell you they don't tell a lie if they think there is any chance they'll be caught. Press secretaries are nearly universally aware of the maxim that, as Beauchamp put it, "If you want to serve your boss well, you'd better serve reporters well."

In sharp contrast to most who have made the leap from reporting to political staff, Beauchamp doesn't believe that "having been a reporter has a lot to do with how well you do as a press secretary." But Michael Reese, the former Los Angeles bureau chief for *Newsweek* who left the magazine in June to take a job as a press secretary to Assembly Speaker Willie Brown, said simply, "I don't see how anybody could do this job without having been on the other side, working as a reporter."

Former reporters, Reese believes, bring with them to their new jobs "a lifetime role as the outsider. There is always a part of me that will be standing back, and watching." As an illustration of how his judgment affects his current job, Reese offered this anecdote: "You get a less-than-flattering story about Willie Brown. The first instinct of many of the staff is to act. Write a letter. Make a phone call. Complain to the reporter's editor. Do something. When, in fact, many times, my reaction is to do nothing at all. What they don't understand in the world of politics is that the world of journalism doesn't work the same, in terms of power, and how it plays out: You stick it to the lowliest reporter, and he has the power to stick it right back."

Reese made some discoveries that startled him when he first changed sides. "It's like looking through a telescope," he said. "You see the world from one angle for so long, and then it's as though someone has come along and shifted the focus, and you see the world from a totally different perspective." Reese's new perspective has brought him to a different view of the age-old reportorial adage to "get it right and get it fast."

"You get so infuriated with press secretaries when you're on the other side," Reese said. "It [the information a reporter wants] is never fast enough, it's never detailed enough, and it's never juicy enough. But, when you sit in this chair, you find out that it can't ever be as fast as they want, or as detailed, and it's just not ever going to be as juicy as they want it." As a reporter, Reese added, he had often assumed that press secretaries were holding out on him. "But there aren't the untruths told that I had presumed. People aren't lying to reporters. They just plain don't know."

Forsyth thinks that when a politician's spokesperson plain doesn't know because he or she doesn't have enough access, the officeholder and the press secretary are both ill-served. Thomas concurred, saying, "I place a real premium on negotiating, up front, what the access is going to be. You have to have regular access to information about what's going on."

Like Forsyth and Reese, Thomas believes those who have worked in journalism enjoy an advantage in serving as a conduit of information. "If you've been a reporter," he said, "I think you better understand what a reporter needs, what they want, how they're going to try to go about getting it and how they're going to put together the finished product." But he added, "Having said that, I can think of several [press secretaries] I would count among the best who have never been reporters."

One characteristic common to all press secretaries who are viewed as highly credible, Thomas said, is that they have their bosses' confidence. "One of the best presidential press secretaries was Jody Powell. He didn't have a minute of reporting experience. But he had this marvelous, long-standing relationship with Jimmy Carter. They understood each other, he had the president's confidence, and he clearly knew what was going on. The more you're perceived as having that kind of relationship with the principal, the more it helps you ... it helps your credibility with reporters enormously ... your credibility is tied to the media notion that you're knowledgeable about what's going on in your organization, and that you can speak with the confidence that someone else is not going to be able to say, 'Well, Thomas doesn't know what he's talking about.'"

Forsyth put it more succinctly, declaring: "If you've got a good relationship with the boss, you've got a good media program. If you don't have a good relationship with the boss, then your media program will be poor."

Forsyth and Thomas both contend that the best press secretaries are not only privy to decisions but are part of the decision-making process.

"If I had to pick one thing I would say separates the best people in this business from the others," Thomas said, "it is the ability to peer into the future in order to help prepare the person you work for for what is likely to happen, to see where a particular policy decision or judgment could be leading, and suggest a strategy to minimize the downside or maximize the upside; to participate in the process, and try to alter a decision that might be hurtful or poorly received."

In a brief report on his job Forsyth compiled at the request of a writer for a magazine published by the National Conference on State Legislatures, he wrote: "It is essential that the press secretary be a full voting member of the senior staff, with access to the boss ... because the politician needs someone who can predict mass media reaction to the politician's pro-active and reactive actions; someone who brings street smarts to the office." The street smarts former reporters bring into a politician's office, Forsyth believes, are usually lacking in "senior legislative aides who essentially worked their entire adult lives in and for the Legislature, or whatever public entity.

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In Roberti's office, Forsyth performs the role he described. But other press secretaries find themselves, as Beauchamp described her role in the Jerry Brown administration, "not in a decision-making capability." In that situation, Beauchamp said, "You just hope that you know enough about the decisions that you can report out on them. So your goal becomes, not to be a participant but to be enough of an observer that you're able to find out how that decision was made, and why."

If information is a reporter's livelihood, it is a press secretary's stock-in-trade. "Ideally," Beauchamp said, "a press secretary has the information about what's going on, and your energy goes into figuring out the best way to process that information externally. If you reach the point where what you're reporting out on is simply a *fait accompli*, and you don't know why it happened, you start to lose it: not just the credibility on the outside, with reporters, but all your energy becomes focused internally, trying to play catch-up, and wondering how you're supposed to be dealing with these people, trying to figure out how to get them to feel comfortable telling you what you need to know."

During her time in the governor's office, Beauchamp said, she often had to fight for information. "That was something I found, not so much with the governor as with cabinet secretaries. They treated me as if I were a reporter; they were just telling me part of the story. And I'd say, 'No, no. You tell me the whole story, and together we'll figure out how to put it out to the reporters.' ... The governor never methodically kept me out of anything. But there were other people in the administration who did methodically keep me out of the loop."

When that happens, Beauchamp said, "You feel like you're thrown into a lion's den of reporters. That's not the fault of the reporters, but simply because you didn't have the information. You sure can't blame the reporters for wanting to know what's going on." In the Brown administration, having information handed to you could be as energy-consuming as trying to extract it from unwilling colleagues. One year, Brown finished his State of the State address in the dead of night and decided to make advance copies of the text available to reporters.

Beauchamp recalled, "My phone rang at four a.m. It was Jerry. He said, 'What are you doing?' 'Well, what do you think I'm doing? It's four o'clock in the morning. I'm sleeping.'" One early morning in Sacramento, a state police officer arrived outside Beauchamp's apartment to pick her up and found her sitting on the curb. Asleep. Finally, Beauchamp, who now lives in New York and is working on a book about the history of the Cannes Film Festival, gave in to "sheer physical exhaustion" and quit. Beauchamp described her time with Brown as a sort of "trial by fire. A situation like that really establishes relationships for life. I have a couple dozen of those relationships, in equal number of reporters and people who were in the administration. Unfortunately, there are also two people I will never speak to again in my life." Tellingly, those two are both former Brown staffers, not reporters.

While some politicians and their staff see reporters as — if not slime-covered creatures from another planet — at least the natural enemy; press secretaries, regardless of whether they are former reporters, are likely to hold the people who cover them in greater affection.

Thomas said, "Reporters are generally the kind of people I like to be around, even when I'm not working. I enjoy the irreverance, the verbal sparring. I view myself, first and foremost, as a journalist. I'm just performing the same function from a different perspective."

People who leave journalism for political staff jobs often find themselves inundated with questions about why they made the change. The answers vary, from person to person. The greatest commonality in the responses seems to be an impatience with the questions. People who do make the switch find it strange that so many people think their decision is strange. "I have answered my last question," said Reese, his irritation a testament to the number of times he's been asked, "as to why did I really do this? I don't have to justify why I made this decision at this time in my life. It's the reporters who feel they need to make their vocation a ... mission from God who keep asking that question."

So, having made the decision, do former reporters who switch sides regret or revel in their decisions? It depends.

Larry Thomas, who is now vice president for corporate communications at the Irvine Company, said functioning as a conduit of information for reporters is a job "I enjoy so much that it constantly amazes me people would pay me to do it."

Forsyth, asked if he ever regretted taking a job as a press secretary, likened his feelings to those inspired by his stint as metro editor at the *Sacramento Bee*: "I never regretted taking that job. And I never regretted leaving it."

And Beauchamp, reflecting back on her time with Jerry Brown, said: "I wouldn't have missed it for a million dollars. And I wouldn't do it again for any amount of money."

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WASHINGTON PERSPECTIVE

By LARRY LIEBERT

Tony Coelho

When Tony Coelho abruptly announced his plan to resign from Congress in the summer of 1989, the powerful House Democratic whip from Modesto promised to remain active in politics. At the time, it may have seemed wishful thinking. After all, Coelho felt compelled to cut short a career near the peak of political success to seek shelter from a darkening ethical cloud.

HIS DASH FOR THE POLITICAL EXIT came as he was within weeks of likely elevation to the post of House majority leader, which in turn would have put him only one step away from his presumed life's goal — speaker of the House.

If anything, Coelho would seem even more of a political untouchable these days because his own troubles proved to be a storm warning for the gathering savings-and-loan hurricane.

Coelho's departure followed the revelation that he had been among the privileged few permitted to buy $100,000 in special-issue junk bonds from a guy named Michael Milken. Furthermore, Coelho failed to reveal, on financial disclosure statements, that he bought the bonds with the help of a $50,000 loan from a guy named Tom Spiegel.

The cast of characters was only vaguely familiar to most Americans at the time. Since then, junk-bond king Milken has been convicted and has become a symbol of greed in the 1980s. And Spiegel's Columbia Savings has come under critical examination by federal regulators, who are coping with the multi-billion dollar taxpayer bailout of the S&Ls.

Considering that short, gloomy history, it's rather remarkable that Tony Coelho remains the toast of Washington, the enduring hero of his former Central Valley constituents and one of the best-connected insiders in Democratic politics.

How do his friends and admirers explain the mystique of ex-Congressman Coelho?

"People admire the way Tony got out without having to be dragged out," said San Francisco political consultant Clint Reilly, a longtime Coelho friend and associate.

Fellow Democrats have not forgotten that Coelho did them the ultimate favor of making himself disappear virtually overnight. At the same time, by vivid contrast, House Speaker Jim Wright, a Texas Democrat, was embarrassing everyone by holding on as long as he could in the face of well-documented ethics violations.

"Tony quit because he made a mistake," said Democratic Representative Barbara Boxer of San Francisco, "and everybody knows what the mistake was. He left with great dignity. He's a very beloved person in his district and in Washington."

Proving that point, Boxer, who plans to run for the Senate in 1992, billed Coelho as the "special guest" for a political reception she held in Washington on October 2nd. His draw as a popular and powerful political figure clearly exceeded any qualms Boxer may have had that Coelho's background would damage her self-described image as an independent, free of any taint from special interests.

In fact, would-be Democratic Senate candidates from California are standing in line to plead for Coelho's blessing. Representative Robert Matsui of Sacramento has been boasting for months that he ultimately expects Coelho's endorsement in the 1992 race for the seat of Democratic Senator Alan Cranston, who is widely expected to prove a political casualty of the S&L scandals.

Democrats in the Central Valley are even more eager to embrace Coelho and to seek his help at every opportunity. In the fall campaign, challenger Calvin Dooley built his entire strategy around attacks on Republican Representative Chip Pashayan for accepting money from savings-and-loan tycoon Charles Keating Jr., Cranston's controversial benefactor. Yet Dooley, who promised to bring "our valley ethics" to Washington, welcomed Coelho's support.

Of course, it's important to emphasize that Coelho has never been charged with any crime (although the *Los Angeles Times* reported shortly before he stepped down that federal authorities were investigating him.) Nonetheless, if Coelho hadn't followed his superb political instincts — cutting his losses even when that required quitting his job — he might still be mired today in one of Congress' interminable ethics probes.

Instead, Coelho, who did not return a phone call from this writer, commutes from his home in Washington's suburbs to a job as an investment banker in Manhattan. He's reportedly making a fortune as a managing partner of Wertheim Schroder and Company.

Coelho promised he would never become a lobbyist, but he is capitalizing on his political connections to bring in business from labor unions and pension funds. He presumably has not lost his extraordinary touch as a behind-the-scenes political tactician and fund-raiser. As head of the House Democratic Campaign Committee from 1981 through 1986, Coelho was admired by colleagues — and criticized by reformers — for proving that Democrats could milk even more money than Republicans from political action committees for special interests. He has also surfaced occasionally to work for causes he cares about, including help for his fellow epileptics and passage of the new federal law protecting the disabled from discrimination.

EARLIER THIS YEAR, the *National Journal* magazine reported on Coelho's rise from the ashes, even quoting some admirers who envision him resurfacing within a few years as Democratic National Chairman or as chief of staff for a Democratic president. (His tough-guy style resembles that of John Sununu, President George Bush's chief of staff.)

But another Democrat who knows Coelho well said that was "very premature in light of the S&L crisis. I don't see Tony making a real comeback for five or six years."

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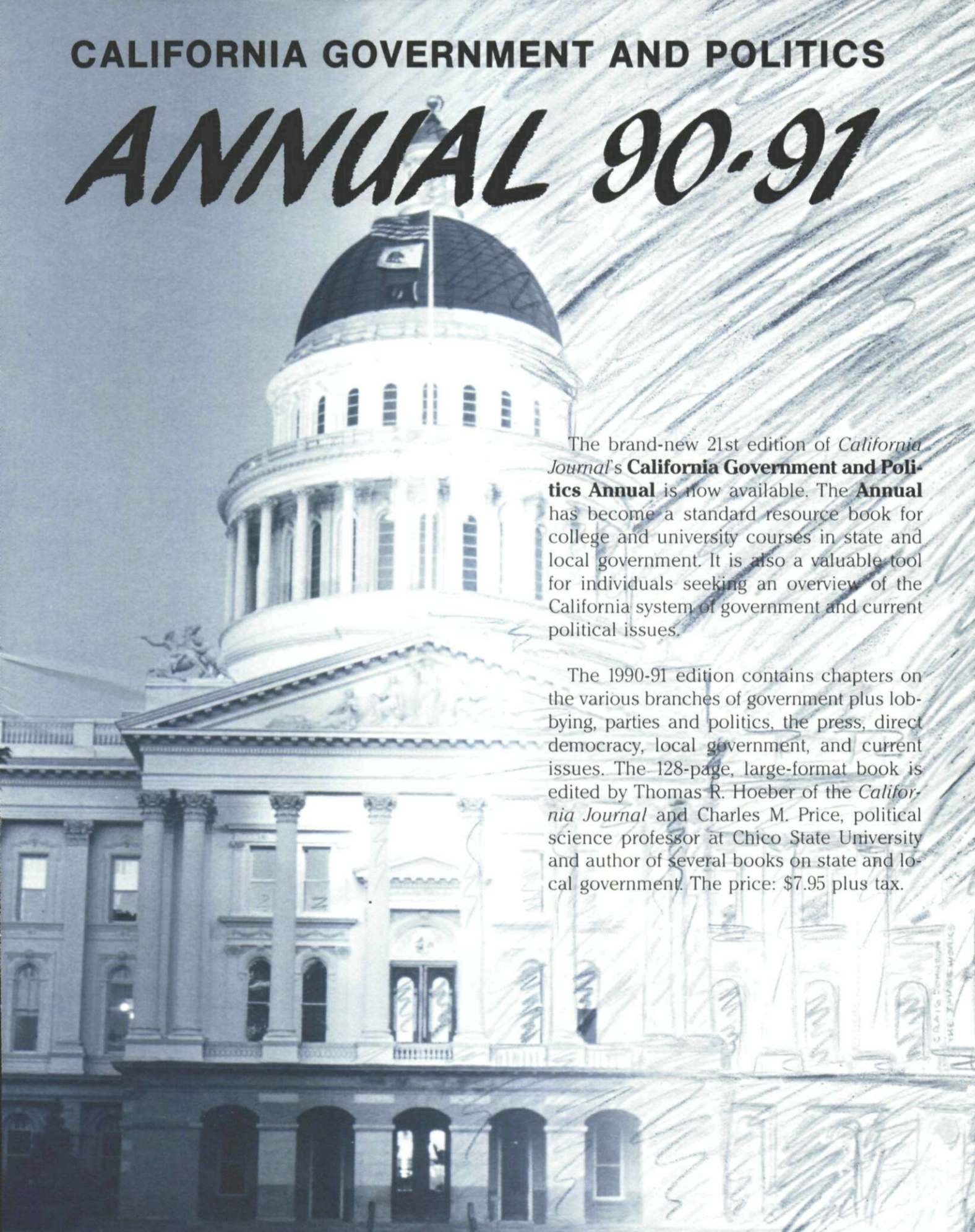

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